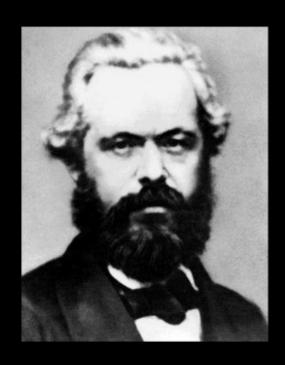
Karl Marx



MARXISTS INTERNET ARCHIVE

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,

Karl Marx

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 pre-dating 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 [19] 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 money-making. 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 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. [20] 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 economies, 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 holds 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 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 finishingpoint, and must be dealt with before landed property. After both have been examined in particular, their interrelation must be examined.

It would therefore be infeasible 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) [21] (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, 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. [22]

(4) PRODUCTION. MEANS OF PRODUCTION AND PRODUCTION. RELATIONS RELATIONS OF 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.

- 8. MEW XIII omits 'more'.
- 9. MEW XIII substitutes 'in consumption'.
- 10. MEW XIII substitutes 'products'.
- 11. 'Determination is negation', i.e., given the undifferentiated self-identity of the universal world substance, to attempt to introduce particular determinations is to negate this self-identity. (Spinoza, *Letters*, No. 50, to J. Jelles, 2 June 1674.)
- 12. [Translator advised this note should be removed.]
- 13. 'Potentially'. Cf. Aristotle, Metaphysics Bk VIII, Ch. 6, 2.
- 14. The manuscript has: 'for the product is production not only as \dots '. MEW XIII substitutes: 'for the product is a product not as \dots '.
- 15. The manuscript has 'for production'.
- 16. Jean-Baptiste Say (1767-1832), 'the inane Say', who 'superficially condensed political economy into a textbook' (Marx), a businessman who popularized and vulgarized the doctrines of Adam Smith in his *Traité d'économie politique*, Paris, 1803.
- 17. Heinrich Friedrich Storch (1766–1835), Professor of Political Economy in the Russian Academy of Sciences at St Petersburg. Say issued Storch's work *Cours d'économie politique* with critical notes in 1823; he attacked Say's interpretation of his views in *Considérations sur la nature du revenu national*, Paris, 1824, pp. 144–59.
- 18. David Ricardo, *On the Principles of Political Economy and Taxation*, 3rd edn, London, 1821, preface, p.v.
- 19. 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

Karl Marx

manufacture system' but elsewhere the Mercantile System (known to economics textbooks as Mercantilism). He distinguishes between the two systems on pp. 327-8, 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).

- 20. 'Potentially'. Cf. Aristotle, Metaphysics Bk VIII, Ch. 6, 2.
- 21. Pierre Joseph Proudhon, *Système des contradictions économiques ou philosophie de la misère*, Paris, 1846, Vol. I, p. 146.
- 22. Capital III (International Publishers edn), p. 110.