

THE CONCEPT OF CONTRADICTION
IN THE WORKS OF KARL MARX

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ABSTRACT

In this thesis I argue that the concept of contradiction can be regarded as a key for understanding Marx's method. It is the central concept in dialectics, an epistemology originating in the philosophical writings of Fichte, developed in a more systematic way within the idealist tradition by Hegel, and adopted by Marx on a materialist basis.

I show how Marx's method emerges in his early writings, particularly his criticisms of Hegel and the Young Hegelians. In the Critique of Hegel's Philosophy of Right he identifies a type of contradiction which he terms "essential" and which is not susceptible to mediation; it has to be resolved violently. In his work in political economy from 1844 on, this contradiction is elaborated as the general contradiction of the capitalist mode of production. This general contradiction subsumes a number of particular contradictions which are mediated in practice and which are necessary to the functioning of the system as a whole.

By analysing Marx's treatment of the category of money I show that the essential contradiction between the human essence and the capitalist system is manifested in this commodity. The concerns of the early writings are immanent in the later writings in political economy. The general contradictory nature of capitalism is stressed in his work on crises and the falling rate of profit, which I have analysed in order to provide valuable insights into his purpose and his method.

In examining The Eighteenth Brumaire of Louis Bonaparte I argue that Marx extended his method of exposing contradictions into the political sphere, revealing the dilemmas which debilitated the various parties in the Second French Republic and which allowed Bonaparte to seize power.

My summary is combined with an excursus refuting the criticism that contradictions do not exist in reality but only in thought. I argue that Marx's dialectic does not constitute a rejection of formal

logic in toto, but denies its claims to provide universal laws of thought. The dialectical method supersedes formal logic in his analysis of social processes.

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PREFACE

In conducting this research I have used a variety of editions of Marx's works. For the writings up to and including 1852 I have usually used the Collected Works in English (Lawrence & Wishart). In the case of the Critique of Hegel's Philosophy of Right, regarded in this thesis as a central text, I consulted the translations in the Collected Works, Early Writings, and the edition translated by Joseph O'Malley.

I used the Penguin editions of the Grundrisse and the first two volumes of Capital, and used Lawrence & Wishart editions of the third volume of Capital, and the three parts of Theories of Surplus Value. I used the edition from Progress Publishers of A Contribution to the Critique of Political Economy. In all cases passages including antithetical expressions have been checked against the German Marx-Engels Werke. All the editions of Marx's works which I have used appear in abbreviated form in the text of the thesis.

Details of Marx's activities have been gathered from a wide range of biographies. I found the Marx-Engels-Lenin Institute's Karl Marx: Chronik Seines Lebens in Einzeldaten, and Maximilien Rubel's Bibliographie Des Oeuvres de Karl Marx, particularly useful.

All other works consulted have been in their original English or in translation, with the exception of Auguste Cornu's Karl Marx et Friedrich Engels. In the case of Fichte's Science of Knowledge I consulted the original German in view of the considerable discrepancies between the translation of P. Heath and J. Lachs and that of A.E. Kroeger, the latter proving unsatisfactory in many respects.

I consulted the Oxford English Dictionary and Deutsches Wörterbuch for basic philological work.

ABBREVIATIONS

To avoid excessive footnoting I have abbreviated many works and included the references in parentheses in the body of the thesis. In the case of works by Marx and works by Marx and Engels I have abbreviated the works to initials, with volume numbers preceding them where appropriate. Following the initials is a space, followed by the page number. Other works have been abbreviated to the author's name and the year of the publication of the edition which I have used. This is followed by a comma and then the page number.

A. WORKS BY MARX AND WORKS BY MARX AND ENGELS

- 1 CAP Marx, Karl, Capital, volume one, trans. Ben Fowkes, Penguin, Harmondsworth, 1976
- 2 CAP Marx, Karl, Capital, volume two, trans. David Fernbach, Penguin, Harmondsworth, 1978
- 3 CAP Marx, Karl, Capital, volume three, Lawrence and Wishart, London, 1974
- CCPA Marx, Karl, A Contribution to the Critique of Political Economy, trans. S.W. Ryazanskaya, ed. Maurice Dobb, Progress, Moscow, 1977
- GR Marx, Karl, Grundrisse, trans. Martin Nicolaus, Penguin, Harmondsworth, 1973
- MECW Marx, Karl, and Engels, Friedrich, Collected Works, Lawrence & Wishart, London, 1975, etc.
- MESC Marx, Karl, and Engels, Friedrich, Selected Correspondence, (in one volume), ed. S.W. Ryazanskaya, Progress, Moscow, 1975

- MESW Marx, Karl, and Engels, Friedrich, Selected Works, (in one volume), Lawrence & Wishart, London, 1973
- 1 or 2 MESW Marx, Karl, and Engels, Friedrich, Selected Works, (in two volumes), Foreign Languages Publishing House, Moscow, 1958
- MEW Marx, Karl, and Engels, Friedrich, Werke, Dietz Verlag, Berlin, 1956, etc.
- MFI Marx, Karl, The First International and After, ed. David Fernbach, Penguin, Harmondsworth, 1974
- MR Marx, Karl, The Revolution of 1848, ed. David Fernbach, Penguin, Harmondsworth, 1973
- MSE Marx, Karl, Surveys from Exile, ed. David Fernbach, Penguin, Harmondsworth, 1973
- 1 TSV Marx, Karl, Theories of Surplus Value, part one, trans. Emile Burns, ed. S. Ryazanskaya, Lawrence & Wishart, London, 1969
- 2 TSV Marx, Karl, Theories of Surplus Value, part two, trans. Renate Simpson, ed. S. Ryazanskaya, Lawrence & Wishart, London, 1969
- 3 TSV Marx, Karl, Theories of Surplus Value, part three, trans. Jack Cohen and S.W. Ryazanskaya, edd. S.W. Ryazanskaya and Richard Dixon, Lawrence & Wishart, London, 1972
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INTRODUCTION

The concept of contradiction in Marx's writings, particularly his work in political economy, acts as a leitmotiv denoting an idea of central importance. This idea is his dialectical method, intrinsic to a social theory grounded on his production-orientated conception of historical development.

Marx has little to say about his methodology, and even the compressed theoretical framework which he sets down in the 1859 Preface to A Contribution to the Critique of Political Economy has long been a source of controversy. Discussions of the problems of investigation and presentation in political economy take place in the Introduction to the Grundrisse of 1857, the Preface to the first edition of Capital of 1867, the Afterword to the second edition of Capital of 1873, and the Notes on Adolph Wagner of 1879-80.

In the Afterword to the second edition of Capital he claims that his method is dialectical, and he links the dialectic directly to the concept of contradiction. The idealist, "mystified" dialectic of Hegel is rejected, but Marx asserts the distinctiveness of his own method and comments on its impact and its nature:

In its rational form it is a scandal and an abomination to the bourgeoisie and its doctrinaire spokesmen, because it includes in its positive understanding of what exists a simultaneous recognition of its negation, its inevitable destruction; because it regards every historically developed form as being in a fluid state, in motion, and therefore grasps its transient aspect as well; and because it does not let itself be impressed by anything, being in its very essence critical and revolutionary.

The fact that the movement of capitalist society is full of contradictions impresses itself most strikingly on the practical bourgeois in the changes of the periodic cycle through which modern industry passes, the summit of which is the general crisis.
(1 CAP 103)

He then anticipates a new crisis of sufficient intensity which will

"drum dialectics" into the heads of the leaders of the newly united Germany. In the first paragraph the dialectic is characterised as a recognition of the positive and negative aspects of existing entities, involving the transitoriness of historical formations. In the less abstract (but still general) second paragraph, the capitalist system is described as being full of contradictions, mostly visibly displayed in a general economic crisis. But what does he mean by contradiction, and what is distinctive about the method in which it features? In this introduction I will adumbrate answers to these questions which will be elaborated in the course of the thesis.

The origins of Marx's concept of contradiction are to be found by referring to the philosophical atmosphere in Germany during his student years. A trained philosopher, achieving his doctorate from Jena in 1841 on the basis of a dissertation on the differences between the Epicurean and Democritean philosophies of nature, his awareness of the importance of contemporary philosophical issues is amply displayed in his writings up to and including The German Ideology of 1846. It is clear from many of these works that Marx developed an antipathy towards philosophy which remained purely contemplative, and this rejection of contemplative philosophy is reflected in his development of a conception of contradiction distinctive from (but informed by) his philosophical predecessors and contemporaries.

The concept of contradiction figures significantly in the great philosophical debates in Germany in the opening decades of the 19th century, and many of the questions stemmed from the work of Kant. He reaffirmed the Aristotelian principle of non-contradiction, maintaining that contradiction should be regarded as a negative criterion for the establishment of truth:

The proposition that no predicate contradictory of a thing can belong to it is entitled the principle of contradiction, and is a universal, though merely negative criterion of all truth.
(Kant, 1970, 190)

This principle is one of the three basic laws of thought in formal logic.

The law of identity can be expressed symbolically as $p = p$; the law of non-contradiction as "not both p and not p "; and the law of the excluded middle as "everything is either p or not p ". The law of the excluded middle states that when there are two contradictory propositions, one is false and the other true. Kant termed this a pure contradiction. There may, of course, be propositions which contradict each other and are both false - an unstated "middle" term expresses the truth. In this case Kant speaks of a dialectic opposition (Kant, 1970, 446-7), the term "dialectic" denoting a "logic of illusion" (Kant, 1970, 297). Contradictions for Kant arise only in thought and not in reality. When material forces oppose each other Kant maintains that it is a real opposition between two independent entities, entirely compatible with the laws of formal logic. In thought, as a negative criterion for eliminating falsehood, they cannot be tolerated.

Fichte is the first to reject this purely negative conception of contradiction in his Science of Knowledge, although he does so without mentioning the word contradiction. Kant had maintained that there were two sources of knowledge - a posteriori sense impressions combined with a propensity to conceptualise based on a priori and unknowable noumena, or things in themselves. Fichte, in attempting to eliminate this duality, posits self-consciousness, encapsulated in the word Ego as the unconditioned first principle of his system. In conformity to the laws of thought set out above, this principle is expressed by Fichte as the principle of identity, or $A = A$. But in order to achieve self-consciousness, there must be a non-self, or Non-Ego. Fichte's second principle is the principle of opposition, expressed as "not A is not equal to A ", and again this corresponds to the law of non-contradiction, the second of the three laws of thought. However, Fichte asks himself how "being and nonbeing, reality and negation" can "be thought together without mutual elimination and destruction?". The problem is that the Non-Ego is obviously a product of the Ego and vice-versa, so that each principle "annuls itself and does not annul itself" and Ego=Non-Ego, and

Non-Ego=Ego" (Fichte, 1970, 107). In other words, both principles are flawed. Fichte resolves the problem by accepting the contradiction and introducing the idea of reciprocity and divisibility - "in the Ego I oppose a divisible Non-Ego to the divisible Ego" (Fichte, 1970, 93-114). This interaction between the two factors is the propulsive synthesis which accounts for the possibility of knowledge, and is later termed "mutual determination" (Wechselbestimmung) (Fichte, 1970, 127ff and 186-7). Without explicitly addressing himself to the laws of thought, Fichte has rejected the principle of non-contradiction.

The acknowledgment of the necessity and positivity of contradiction, inherent to which is the mutual determination of opposite factors within a whole form or entity, denotes the dialectic. Fichte, however, does not appear to appreciate all the implications of his system, particularly its challenge to modes of thought based on formal logic. There is no attempt to extend his notion of the positivity of contradiction into areas other than philosophy, and his secular work in politics and economics is not imbued with a new methodology.

Schelling was much more explicit about the ubiquity of contradiction, which, he claims, is "life's mainspring and core" (Schelling, 1942, 210-11). Schelling sees contradictions in natural processes, nature itself being the product of mind. But this mind is not the mind of individuals, as with Fichte, but of the Absolute, a formulation redolent of the philosophy of Spinoza. Schelling's failure to demonstrate how the individual may achieve knowledge of the Absolute means that the contradictions which he points to are really dramatic devices to illustrate the omnipotent genius of the Absolute.

Hegel went much further than Schelling in linking the thought process to the Idea - his equivalent of the Absolute. Contradictions become more than a dramatic device as they play the propulsive role in building a system of logic and epistemology which works from the simplest of categories to the most sublime. In the Phenomenology he works from sense certainty to absolute knowledge, while in the Science of Logic, he works from simple being to the absolute Idea. In his later writings he

presents a dialectical view of history, the state, religion, aesthetics, and nature, and this dialectical view entails constant conceptual contradictions resolving themselves in progress to a more elevated state.

Marx also accepts the positivity of contradiction, but it is a different type of contradiction than that conceptualised by Fichte, Schelling and Hegel. In 1843 Feuerbach produced three works in which he developed a methodological critique of Hegel, and idealism in general. He suggested that the subject-object relationship needed to be reversed if truth was to be achieved, and such a transformative methodology was employed by Marx in his own work on Hegel in the same year, the Critique of Hegel's Philosophy of Right.

Marx posits a trichotomous typology of oppositions, which to be as faithful as possible to Marx's own words, I will term illusory, existential, and essential. Illusory oppositions usually operate at a high level of abstraction; they are, in fact, sham oppositions which require dissolution. Marx gives the example of religion and philosophy, which appear to be opposed because one requires faith while the other requires reason. But philosophy "comprehends religion in its illusory actuality" and "for philosophy, religion is ... dissolved into itself". Existential oppositions involve "differentiated essence", as for example, with north and south pole, male and female, and here mediation between the two extremes is not only possible but necessary. Essential oppositions occur between essences, as for example, between pole and non-pole, human and non-human (3 MECW 88-91, see below 58).

Both illusory and existential contradictions occur in Hegel's writings, but Marx chides him for failing to recognise essential oppositions which cannot be mediated. In discussing the three types of opposition Marx uses the word Gegensatz, but after upbraiding Hegel for failing to recognise the essential nature of the oppositions within the Prussian state he terms this opposition a contradiction (Widerspruch). In this case the essential contradiction is between the political state and civil society (3 MECW 91). Marx also criticises Hegel's idealist method of resolving contradictions, and then extends his attack to the

Young Hegelians for exposing essential contradictions but failing to explain them in their genesis and necessity.

Marx's interest is captured by the idea of essential contradiction, and it remains central to his method throughout his career. We hear no more about illusory and existential oppositions, although the manner in which the latter are mediated in Hegel is echoed in Marx's treatment of what I term particular contradictions, which I will discuss later in this introduction.

Shortly after seizing on the importance of essential contradiction Marx faces the question of what denotes the human essence. In the 1844 Economic and Philosophic Manuscripts the passages on alienation imply what man is alienated from and necessarily involve a notion of human essence. An essence can be defined as that which constitutes the distinctive quality of a being or thing, but it is important to understand that Marx addresses himself to the question of essence from an historical rather than a purely formal standpoint. His interest in essence emanates from his consideration of a particular problem in society, in this case the role of labour in the productive process. He is concerned with the changing relationship between essence and appearance, change which can only occur in history. As Marković has pointed out, it is a view of essence which "does not determine existence in a rigid way" and "leaves more or less room for human freedom."² This approach is radically different from attempts made by philosophers to posit a human essence as an ontological principle separated from any particular appearance and therefore unhistorical.

He locates the human essence in planned (creative) activity, the conscious production of the conditions of material life. This purposive activity is a social or co-operative activity, as becomes clear in the passages on alienation. With the development of the division of labour,

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1. This important point is made by Marcuse in his 1936 article 'The Concept of essence', although Marx is not mentioned by name.
 2. M. Marković, 'Man and His Natural Surroundings' in The Contemporary Marx, Spokesman Books, Noyyingham, 1974, 152.

alienation arises. It is conceived as loss of essence, or de-humanisation (3 MECW 273-5), and this view is developed in The Holy Family, where it is directly related to the concept of contradiction. the contradiction between the human nature of the proletariat and its condition of life, "which is the outright, resolute and comprehensive negation of that nature." (4 MECW 36). This contradiction is essential, for it is between two essences, the human and the non-human, the very example which Marx uses in the Critique of 1843.

In The Holy Family Marx criticises the Young Hegelians for failing to analyse the genesis of contradictions, and for failing to generalise them, i.e. failing to stress their general applicability to society (4 MECW 114). In this case the contradictions are found in the debates on the constitution following the 1789 French Revolution. Marx credits Bruno Bauer for arriving at the general contradiction of constitutionalism, but he insists, in opposition to Bauer, that the abolition of this contradiction does not abolish the contradiction between human essence and human existence. He pleads for a generalisation of contradictions but he stipulates the subordinate nature of the political contradiction compared with the economic contradiction.

The location of a general contradiction in the economic system inevitably entails human essence, since conscious productive activity is conceived by Marx not simply as the object of investigation for political economy, but also the constituent of human essence. The mode of production which perfect the division of labour, and with it alienation, contains within it one major contradiction between essences, between creative activity and automatism, or, in Marx's vituperative language, between "human" and "inhuman". This is the essential basis for the general contradiction of capitalism.

I have termed it a general contradiction for three reasons. First, in its various expressions it summarises the nature of the whole system, rather than dealing with its parts. Second, to retain the word "essential" might convey a false impression that the many particular contradictions

within the system are epiphenomenal, which is not the case. The particular contradictions contribute to the development of the system - as such they are mediated, rather like Hegel's existential opposition - but they also carry into the developing system the seeds of its destruction, and it is the mass of particular contradiction erupting in crises which point to the general contradictory nature of the system as a whole. Third, to ensure that the dialectical nature of the contradiction is understood. A Kantian might object that essential contradictions are, in fact, real oppositions - independent and in no way "mutually determined", to use Fichte's term. But I will show that the general contradiction of capitalism is a dialectical one, in that both sides of the contradiction are mutually determined, but are based on opposed essences which cannot be reconciled.

One of the earliest and simplest formulations of the general contradiction of capitalism is found in the Economic and Philosophic Manuscripts, in which he designates the relationship between capital and labour as a contradiction (3 MECW 293-4). The dialectical method is denoted by the stress on the inter-relatedness of the two factors, which operate in "a dynamic relationship driving towards resolution". Later on, he makes it clear that this resolution will be a "very rough and protracted process" (3 MECW 313) of communist action necessary to abolish private property. "Resolution," in this sense, applied to the general contradiction of capitalism, means "abolition" - a once and for all destruction of the conditions on which the contradiction arises. Marx also uses "resolution" in other works to refer to a pro tempore settlement of particular contradictions needed to allow the system to develop, but also contributing to the contradictory nature of the system. It therefore furthers both its development and demise. The same use of "resolution" occurs in relation to crises, which are regarded as violent correctives to the system. This use of "resolution" does not constitute an abolition of the general contradiction.

A more sophisticated expression of the general contradiction of

capitalism first appears in The German Ideology as the contradiction between the "productive forces and the form of intercourse" (5 MECW 74-5). Later on the terms are changed to "forces of production" and "relations of production". I have termed this contradiction a developmental one, because it takes into account in its formulation the movement of the system, in a way which the contradiction between capital and labour does not. However, I have rejected Godelier's argument that this formulation is the "fundamental" contradiction (Godelier, 1974, 356), on the grounds that both the capital-labour contradiction and the developmental contradiction are based on incompatible essences and should be considered as different expressions of the general contradiction of capitalism. I also criticise Godelier's structuralist method for its arbitrariness and rigidity.

The developmental contradiction between the forces of production and the relations of production is clearly brought out in his work on crises and the falling rate of profit. Here and elsewhere the developmental contradiction is extended to take into account the social consequences, i.e. the failure to achieve either the "satisfaction of requirements" (3 CAP 258) of society as a whole, or the aims of individual capitalists - profit - which results in unemployment (3 CAP 244-5).

In Theories of Surplus Value he criticises Ricardo for failing to recognise "forms of production relations" which "enter into contradiction with, or enfeather, the aim of production - abundance" (3 TSV 54-5). Abundance cannot be regarded as a situation which can be reached under capitalism, as the profit motive dictates that production for profit takes place on an ever increasing scale. Yet the mastery over nature which the system demonstrates indicates a potential fulfilment of basic needs such as sustenance, dwelling, and clothing. The forces of production reflect a society in which extremes of wealth and poverty are all too evident.

As well as talking about the general contradiction of capitalism Marx talks about the particular contradictions. Failure to do so would

render the dialectical method chimerical, and the need for the specification of contradictions is expressed in the Grundrisse (GR 110). He analyses the particular contradictions between use-value and exchange-value, between the commodity and money, within money as credit (means of payment), within the application of machinery, and within the reproduction of capital. These explicit references to contradiction are manifestations of Marx's approach to the study of political economy, and the study as a whole has to be seen as an attempt to expose particular contradictions in the movement of the capitalist system of production.

Marx's dialectic comprises a general contradiction which is expressed in a number of ways, but as I have indicated these can be reduced to two forms, the capital-labour form and the forces of production-relations of production form. The latter is the more frequently used and has the merit of indicating in its formulation the idea of development and change. They express the same general contradictions because they are both based on incompatible essences, creative activity and automatism. The general contradiction can only be resolved by the destruction of the capitalist system. The general contradiction subsumes particular contradictions, such as those between use value and exchange value, and between the commodity and money, and these contradictions can be resolved, in a pro tempore way, and preserved in the developing system. Marx therefore holds a conception of a general contradiction to establish a theoretical framework, and a conception of particular contradictions to operate as a heuristic device within that theoretical framework.

It is of vital importance to understand that Marx is referring to particular contradictions when making one of his few statements about the nature and resolution of contradictions, in the first volume of Capital:

We saw in a former chapter that the exchange of commodities implies contradictory and mutually exclusive conditions. The further development of the commodity does not abolish these contradictions, but rather provides the room for them to move. This is, in general, the way in which real contradictions are resolved. For instance, it is a contradiction to depict one body as constantly falling towards

another and at the same time constantly flying away from it. The ellipse is a form of motion within which this contradiction is both realised and resolved. (1 CAP 198)

Here he makes the distinction between the abolition (Abschaffung) and the resolution (Auflösung) of contradictions. The former is necessary in order to overcome the general contradiction, which is based on mutually exclusive essences. The latter is a pro tempore resolution of particular contradictions necessary for the development of the capitalist system, but it is a resolution which also creates new particular contradictions, and in this way the contradictory nature of the system is preserved. His emphasis on the reality of contradictions indicates a sensitivity to the high level of abstraction of the analysis. As participants in the economic process would be oblivious to the "metamorphosis of commodities", as that particular passage is headed, many readers might be sceptical of Marx's contradictions. The analogy is not very helpful in this regard, for although it illustrates the resolution of particular contradictions, it also indicates that the resolution is complete and without ramification. In all three volumes of Capital Marx shows that the particular contradictions contribute to the general contradictory nature of the system.

The particular contradictions become manifest in the economic crisis, but I will argue that Marx held no "collapse" theory involving the destruction of the capitalist system by purely economic movement. The crisis is regarded as a violent corrective to the contradictions of the system, although it will invariably produce social and political contradictions which will contest the very existence of the capitalist mode of production. The question of political contradictions is therefore of great importance, and I will argue that an appreciation of this point is necessary to achieve a clear understanding of Marx's method.

His idea of essential contradiction emerges from an analysis of Hegel's work on the state, and it is developed in an analysis of Bruno Bauer's work on the French Revolution in The Holy Family. When introducing

the developmental contradiction of capitalism in The Germany Ideology, political struggles are described as a "subsidiary form" (5 MECW 74) of the contradiction between the forces of production and the form of intercourse. However, there is no suggestion in Marx's writings that struggles and contradictions in the political sphere operate in a mechanical relationship with the contradictions in the economic system. The Eighteenth Brumaire offers an excellent example of the complexity of political relationships, and his exposure of the attendant contradictions demonstrates the flexibility and richness of his method.

The arguments outlined above will receive detailed analysis in the rest of this thesis. Chapter one will deal with the emergence of the modern dialectic in German philosophy. Particular importance is attached to the work of Fichte in positing the positivity of contradiction, and to Hegel for attempting to establish the dialectic as a principle necessary for the understanding of all aspects of human endeavour. I will then examine Marx's explicit appreciations of Hegel, and summarise the ways in which the relationship between Marx and Hegel has been understood by Marxist theorists in the past hundred years.

Chapter two will contain an analysis of the development of Marx's original conception of contradiction in his writings up to and including The German Ideology, in which for the first time he sets down in a general way his theory of historical development. I will show how Marx excavates the conception of essential contradiction from his criticism of Hegel, and how he demands the generalisation of contradictions and the analysis of their genesis in his criticism of the Young Hegelians in The Holy Family. I will then analyse the formulation of the general contradiction of capitalism and its early articulation in the Economic and Philosophic Manuscripts and The German Ideology.

Chapter three contains an analysis of Marx's perception of political contradictions in The Eighteenth Brumaire of Louis Bonaparte. Often the contradictions are between intention and fulfilment and the many unintended consequences which occur during the second French Republic

expose the illusory nature of ideology. Marx's analysis is consistent with his general theory of historical development, but its sensitivity to the subtleties and significance of political relations shows that any mechanistic interpretations of his general theory is a dangerous distortion of his method.

In chapter four I examine the category of money in his writings from 1844 through to the second volume of *Capital*. Several studies have concentrated on one work of Marx's political economy in order to explicate his method. Rosdolsky (1977), Carver, and Balogh, for example, concentrate on the Grundrisse, while Sayer and Zelený focus on Capital.¹ In examining his analysis of money in a variety of writings I bring out the development of his method as well as a unity of theme, namely, the idea of money as manifest alienation. This analysis also draws out some of the particular, theoretical contradictions which Marx detects in his model of the capitalist mode of production.

Chapter five will deal with Marx's work on economic crisis, particularly in the second volume of Capital and certain sections of Theories of Surplus Value. Crises are conceived as being both destructive and preservative, in the purely economic sense. They are the collective eruption of "all the contradictions of bourgeois production" (2 TSV 534) and also provide "the forcible solutions of the existing contradictions" (3 CAP 249). I will show that it is possible to explicate the basic elements of a Marxian theory of crises, and that this does not involve any notion of a basic crisis through which capitalism collapses through purely economic means. He prognosticates crises of increasing severity which, of course, will produce socio-political contradictions that will provide the opportunity to abolish private productive property.

1. Terrell Carver, 'A Study of Marx's Methodology with Special Reference to the Grundrisse', unpublished Ph.D. thesis, University of Oxford, 1974; Roslyn Balogh, Dialectical Phenomenology: Marx's Method, Routledge & Kegan Paul, London, 1979; Derek Sayer, Marx's Method: Ideology, Science and Critique in 'Capital', Harvester, Sussex, 1979; Jindrich Zelený, The Logic of Marx, trans. T. Carver, Basil Blackwell, Oxford, 1980, part one.

In chapter six I will examine his work on the falling rate of profit, particularly in part three of the third volume of Capital. As the theory of the tendency of the rate of profit to fall can be taken to imply long-term economic stagnation, it is very much connected with his work on crises. However, it is important to include his work on counteracting influences as part of the theory. Marx, through a logically defensible postulate, exposes the dilemmas faced by the owners and controllers of the means of production in a system in which development is replete with contradictions. Some of Marx's most explicit statements concerning the general contradiction of the system are found here, although the work itself is not as rigorous as it might have been.

Having established through textual analysis the nature of Marx's concept of contradiction, I will discuss the relationship of his dialectic to formal logic in an excursus which is combined with my summary. The argument is introduced in the first chapter when discussing the views of leading commentators in assessing the relationship between German transcendental philosophy and the development of Marx's thought. In particular the arguments of Colletti will be examined. I will show that Marx's concept of contradiction is central to a method distinguishable from other methodologies by its materialist and dialectical nature. His use of contradiction frequently applies to situations in which the application of the simple principle of non-contradiction would have curtailed or re-directed the investigation. Marx's method includes the use of formal logic, but implicitly denies its claims to constitute the universal laws of thought. The positivity of contradiction, denoting the dialectical method, is adopted as the best possible means of investigation and presentation for the social scientist.

CHAPTER ONE

THE PHILOSOPHICAL SOURCES OF MARX'S DIALECTIC

In order to understand the origins and development of Marx's concept of contradiction it is first necessary to understand the significance of the concept in the philosophical context which confronted him in the late 1830's and early 1840's. Marx immersed himself in philosophical studies during this period, and his early writings testify to the significance which he attached to them. In this chapter I will examine the way in which Kant, Fichte, Schelling and Hegel used the concept of contradiction, and the response which this drew from Marx. I will also briefly look at the way in which commentators on Marx have assessed his relationship to German transcendental philosophy.

Marx introduces contradiction in his earliest extant letter, to his father from Berlin in 1837. He describes the development of his studies at the University, revealing that in his first few months in Berlin he had been greatly influenced by Kant and Fichte. After mentioning that he had attempted to write on the "metaphysics of law" after the fashion of Fichte, he writes:

In the concrete expression of a living world of ideas, as exemplified by law, the state, nature and philosophy as a whole, the object itself must be studied in its development; arbitrary divisions must not be introduced, the rational character of the object itself must develop as something imbued with contradictions in itself and finds its unity in itself. (1 MECW 12)

Although not yet 20, Marx reveals an approach which is followed in later writings; he is anxious to get to grips with reality by stressing the importance of analysing the theoretical genesis of objects and their inter-relatedness. However, the importance attached to the "living world of ideas" is redolent of the idealist approach of the philosophers he mentions in the letter, Kant, Fichte and Hegel.

The idea of immanent contradictions contained in the letter is

shared by Fichte, Schelling, and Hegel. Marx had read only fragments of Hegel before going to Stralow to recuperate from an illness in the winter of 1836-7, when he "got to know Hegel from beginning to end" (1 MECW 19). This new appreciation was based on a desire to adopt a more realistic approach than that offered by Kant or Fichte:

From the idealism which, by the way, I had compared and nourished with the idealism of Kant and Fichte, I arrived at the point of seeking the idea in reality itself. If previously the Gods had dwelt above the earth, now they became its centre. (1 MECW 18)

That Marx considered Hegel to be more realistic than Kant and Fichte is confirmed by an epigram, written early in 1837, in which he scripts Hegel as saying:

Kant and Fichte soar to heavens blue
Seeking for some distant land,
I but seek to grasp profound and true
That which - in the street I find (1 MECW 577)

At this stage Marx has not developed the materialist criticism of Hegel's idealistic method which was to come in 1843, but the realism he detects in Hegel relates to the latter's attempt to overcome the disparity between philosophy as abstract, contemplative and formal, on the one hand, and the study of the real world on the other. Throughout Marx's writings only Hegel from among the German philosophers receives consistent appreciation, but to understand this it is necessary to understand the nature of the concerns which faced Kant, Fichte, and Schelling.

KANT

To focus on the work of one writer as a starting point for any investigation is bound to invite criticisms of arbitrariness, but it is an ineluctable fact that the great questions circulating within German philosophy in the last two decades of the 18th Century and the opening decades of the 19th Century were raised by the writings of Immanuel Kant (1724-1804). He became an intellectual giant among the German intelligentsia following the publication in 1781 of the Critique of Pure Reason, a rigorous study of the sources and nature of knowledge.

The only work of Kant's mentioned by Marx in his early writings is the Metaphysic of Morals, which is given a cursory reference in connection with the classification of legal contracts in the 1837 letter to his father. Marx comments on the Critique of Practical Reason in that part of The German Ideology (1846) devoted to the criticism of Stirner, berating Kant's moral teaching as being symptomatic of the weakness of the German bourgeoisie towards the end of the 18th Century; he claims that "Kant's good will fully corresponds to the impotence, depression and wretchedness of the German burghers" (5 MECW 193-4). There are plenty of general references to Kant in Marx's writing, but nothing to indicate any great appreciation of the former's philosophy or politics. Aris's claim that Kant's idea of the importance of antagonism in historical development constitutes "the first intimation of the Marxian theory of history as the history of class struggle" should not be accorded any credence.¹

At the beginning of the Critique of Pure Reason he propounds a dual-sources theory of knowledge. The two sources may be termed "sense" or "sense impressions" (sinnliche Empfindungen) and "understanding" (Verstand). The former corresponds to "mere" empirical knowledge (appearance), which "has its sources a posteriori, that is, in experience" (Kant, 1970, 43). This a priori element is a necessary part of all judgments or claims to knowledge, which is arrived at by the combined use of our senses and our understanding. Kant summarises this duality:

Our knowledge springs from two fundamental sources of the mind; the first is the capacity of receiving representations (receptivity for impressions), the second is the power of knowing an object through these representations (spontaneity in the production of concepts). Through the first an object is given to us, through the second the object is thought in relation to that (given) representation (which is a mere determination of the mind). Intuition and concepts constitute, therefore, the elements of all our knowledge, so that neither concepts without an intuition in some way corresponding to them, nor intuition without concepts, can yield knowledge.
(Kant, 1970, 92)

1. R Aris, History of Political Thought in Germany from 1789 to 1815, Frank Cass, London, 1965, 73, cf. I Kant, Political Writings, trans. H.B. Nisbet, ed. H Reiss, Cambridge University Press, 1970, 44.

In order to have sense impressions some thing must be sensed. When Kant talks about our capacity for receiving representations he accepts that there is something to be represented. To this extent he is a realist, and he does, in fact, stand opposed to the two schools of idealism which he locates in the writings of Descartes and Berkeley:

Idealism - meaning thereby material idealism - is the theory which declares the existence of objects in space outside us to be merely doubtful and indemonstrable or to be false and impossible. The former is the problematic idealism of Descartes, which holds that there is only one empirical assertion that is indubitably certain, namely, that "I am". The latter is the dogmatic idealism of Berkeley. He maintains that space, with all the things of which it is the inseparable condition, is something which is in itself impossible; and he therefore regards the things in space as merely imaginary entities. (Kant, 1970, 244).

Kant complements his ~~materialism~~^{realism} with a belief that something causes the sensations at work in "receiving" the object. That something is the "thing-in-itself" or noumenon; it is prior to experience (a priori) and it is unknowable. This begs the question - "if we can't know it, why do we accept its presence?". Kant's system involves an idealistic element from which he constructs a philosophy of morality. Thus Kant describes himself as both an "empirical realist" and also a "transcendental idealist". It is essentially the problem of the "unknowable thing-in-itself" which demanded a solution from Kant's successors.

Before seeing how they deal with this problem it is useful to look at the way in which Kant uses the concept of contradiction, his use of the word "dialectic" and the importance of "antinomies" in his system, as it is formulations of this sort which are important in connection with Marx's method. Kant used "contradiction" in a more restricted sense than Fichte, Schelling, Hegel or Marx. Kant's principle of identity and non-contradiction is consonant with formal logic:

The proposition that no predicate contradictory of a thing can belong to it is entitled the principle of contradiction, and is a universal, though merely negative criterion of all truth. (Kant, 1970, 190).

"Contradiction" for Kant is a test of veracity, a tool in the process of establishing the truth. He uses an example containing two propositions: "all bodies are either good smelling or not good smelling," in which only the first proposition - all bodies are good smelling - is false. Kant terms this an "analytical opposition". There is another sort of opposition between propositions which may not be a pure contradiction because it abrogates the law of the excluded middle. Kant uses the example: "all bodies have a good smell or a smell that is not good", in which both opposed propositions within the statement may be false because they rely on an assumption which itself may be false, namely, that all bodies smell. This type of opposition is what Kant labelled "dialectical" (Kant, 1970, 446-7). Dialectics for Kant is a "logic of illusion" (Kant, 1970, 297) and he uses the word to denote apparent contradictions which are not contradictions (or "contradictories") at all.

The antinomies which Kant presents in Critique of Pure Reason come into this category of opposition. They involve terms which beg definition and concepts which require some sort of context to make them meaningful. Discussions of infinity as opposed to finity, pluralism as opposed to monism, determination as opposed to freedom, the existence or non-existence of a necessary being, pose problems only because of the level of abstraction. Kant, of course, recognised this, but he denied the charge of sophism which Plato had made against Zeno of Elea for engaging in a similar exercise, i.e. presenting persuasive arguments to support opposed statements. For Kant maintained that he had demonstrated the impossibility of regarding phenomena as "things in themselves", i.e. independent of experience, and it is in that initial supposition that the fallacy is found in each case.

For Kant, contradiction is a definite criterion for truth, involving opposed propositions, one of which is false and the other true. Dialectics deals with sham antinomies which can be reasoned out by explaining the different senses in which apparently contradictory arguments are operating. Kant also accepts that there are real conflicts in nature:

The principle that realities (as pure assertions) never logically conflict with each other is an entirely true proposition as regards the relation

of concepts, but not the least meaning in regard either to nature or to anything in itself. For real conflict certainly does take place; there are cases where $A-B+0$, that is, where two realities combined in one subject cancel one another's effects. (Kant, 1970, 284).

For Kant, conflict between things does not constitute a contradiction. Thus genuine opposition is "either logical, involving contradiction, or real, i.e. devoid of contradiction."¹ He does not accept that contradiction can be regarded as a vital, regenerative, creative force. It is precisely the elevation of the concept of contradiction to the status of a positive force in the modern dialectic, undertaken by Kant's successors, that was to have such a profound effect on the development of Marx's method.

FICHTE

Johann Gottlieb Fichte (1762-1814) was the outstanding German philosophical figure in the last decade of the 18th Century. Although Hegel credited him with having effected a "revolution" in German philosophy (Hegel, 1896, 504), he has usually been granted only a subsidiary role in studies examining the influence of German philosophy on Marx. For example, in one of the earliest of such studies, The Development of the Monist View of History (1895), there are numerous mentions of Hegel, less numerous mentions of Kant, and only a few cursory references to Fichte. Many scholars accept Hegel's own view (Hegel, 1896, 410 and 512) of progression in philosophy from Kant, through Fichte, then Schelling, to himself.² The fact that Marx engaged in sustained criticism of Hegel and also expressed a debt to him, while writing very little about Fichte, is obviously significant here. Nevertheless, it can be shown that Fichte is the founder of the modern dialectic, and as such deserves more attention than has hitherto been shown. Some appreciation of his importance occurs in

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1. Kant, The Attempt to Introduce the Concept of Negative Quantities into Philosophy, (1763), quoted in Colletti, 1975, 6.
 2. For example, Lukács in his 1948 Introduction to the Young Hegel, Merlin, London, 1975; E.V. Ilyenkov, Dialectical Logic, Progress, Moscow, 1977, essays 3, 4, 5.

commentaries by Cornu, Ruben, Kelly, Kolakowski, and Zelený,¹ but often in abbreviated form. Sometimes the dialectical innovation is overlooked completely, as in Garaudy's work on the evolution of Marx's thought, in which he stresses other aspects of Fichte's philosophy which can be at best regarded as epiphenomenal factors in the genesis of Marx's outlook.²

As with Kant, there is no attempt to suggest that Fichte's political writings had any influence on Marx, who didn't pass comment on the curious mixture of liberal and authoritarian views expressed by Fichte. However, Fichte did play an important role in the development of the German socialism of the non-Marxian variety, through his suggestion of a state-interventionist welfare economy in The Closed Commercial State of 1800. These ideas were read with enthusiasm by Hess, Rodbertus and Lassalle, and in his major philosophical work, The Science of Knowledge, Fichte sought to eliminate Kant's dualism by cutting out the unknowable thing-in-itself. At the centre of Fichte's epistemology is the concept of Ego, to which Marx refers in his Notebooks on Epicurean Philosophy, probably written in 1839:³

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1. A Cornu, The origins of Marxian Thought, Charles Thomas, Springfield, Illinois, 1957; D-H. Ruben, Marxism and Materialism, Harvester, Sussex, 1977; G.A. Kelly, Idealism, Politics and History, Cambridge University Press, 1969; L. Kolakowski, Main Currents of Marxism: The Founders, Oxford University Press, 1978; J. Zelený, The Logic of Marx, Basil Blackwell, Oxford, 1980.
 2. R. Garaudy, Karl Marx: The Evolution of his Thought, International Publishers, New York, 1967.
 3. In the notes on I MECW 755 it states that the Notebooks were written in 1939, but only the covers of books 2-4 are extant, bearing the inscription "winter term, 1839." Fichte's Ego is mentioned in the sixth of the seven books.

With us, irony as a general immanent form, so to speak, as philosophy, was taught by Fr. von Schlegel. But objectively, so far as content is concerned, Heraclitus, who also not only despised, but hated human common sense, is just as much an ironist, so is even Thales, who taught that everything is water, though every Greek knew that no one could live on water, so is Fichte with his world creating ego, despite which even Nicolai realised that he could not create any world, and so is any philosopher who asserts immanence in opposition to the empirical person. (1 MECW 494)

Marx is clearly sceptical of any philosophy whose claims are not consonant with reality, and he is obviously opposed to Fichte's idealism, whose stress on the creative power of the Ego is parodied by Marx to suggest some sort of magician's formula.

However, to understand Fichte's significance in the development of the modern dialectic it is necessary to carefully examine his conception of Ego. The Ego can be equated with self-consciousness, and this is the first principle of his system. It is the "primordial, absolutely unconditioned first principle of human knowledge," which is neither "proved nor defined" (Fichte, 1970, 93). He expresses his first principle as follows:

The Ego's own positing of itself is thus its own pure activity. The Ego posits itself, and by virtue of this mere self-assertion it exists; and conversely the Ego exists and posits its own existence by virtue of merely existing. It is at once the agent and the product of action; the active, and what the activity brings about; action and deed are one and the same, and hence the 'I am' expresses an Act, and the only one possible, as will inevitably appear from the Science of Knowledge as a whole. (Fichte, 1970, 97).

This first principle is the principle of identity. From the material proposition "I am" he obtains the "purely formal and logical proposition A=A." His second principle is the principle of opposition, which introduces the concept of the Non-Ego - "If I am to present anything at all, I must oppose it to the presenting self" (Fichte, 1970, 105). This second principle appears to contradict the first, since the Non-Ego appears as alienated from the Ego, thus denying the Ego's "wholeness". The

1. Marx refers to the acrimonious dialogue between Fichte and C.F. Nicolai (1733-1811), a German writer.

resolution of this dilemma is contained in Fichte's third principle - "In the Ego I oppose a divisible Non-Ego to the divisible Ego" (Fichte, 1970, 110). This concept of divisibility is the basis (grounding) of his system. Later in the Science of Knowledge he talks of this concept in terms of "mutual determination" (Wechselbestimmung) (Fichte, 1970, 127ff. and 186-7).

In addition to the terminology used above, Fichte also propounds his system in terms of the triad of thesis, antithesis, and synthesis. It must be stressed that Fichte's system is not a description of real stages in the development of knowledge, in the sense that a thesis could be isolated and defined, then apparently be contradicted, and then this apparent contradiction be resolved. His categories are merely tools of reflective knowledge which attempt to reveal the dynamism of human knowledge in its totality:

Just as there can be no antithesis without synthesis, so there can be neither without a thesis - an absolute positing, whereby an A (the Ego) is neither equated nor opposed to any other, but is just absolutely posited. This, as applied to our system, is what gives strength and completeness to the whole; it must be a system, and it must be one; the opposites must be united, so long as opposition remains, until absolute unity is effected. (Fichte, 1970, 113).

In speaking of antithesis and synthesis, Fichte stresses that "both are in practice inseparably united, and can be distinguished only in reflection" (Fichte, 1970, 112). In his Science of Logic Hegel alludes specifically to Fichte and rejects the term synthesis because it implies the "external bringing together of mutually external things already there" (Hegel, 1969, 96). Hegel is questioning the terminology because it evokes what he considers to be a misleading picture, but Fichte's own words about the inseparability in reality of thesis, antithesis and synthesis provide a good example of the fluidity of his dialectical thinking. Fichte, in fact, used the triad very sparingly. Besides the important passages of The Science of Knowledge (Fichte, 1970, 113, 186, 193), he uses it in The Science of Rights (Fichte, 1889, 147), but this is certainly no rigid, recurring formula. His system is certainly dialectical, but in Fichte's

work the word "dialectic" seldom occurs.

In The Science of Rights Fichte recapitulates his method of resolving contradictions by the synthetic unity of both opposites. Here, as elsewhere in Fichte's work, the contradiction is resolved in the reasoning process itself. Mediation is achieved through understanding the contradiction; the theoretical contradiction is overcome in practice by reason itself. An example occurs in his discussion of how a man can become a free and rational individual despite the fact that he is conditioned in the educational process by the reason of his educators, a conditioning which the educators themselves were subjected to in their early years. If the individual accepts the received knowledge of his educators - and he will find it difficult to oppose it - how can he be said to think freely for himself? Fichte terms this a contradiction and maintains that it can only be solved by presupposing that the educator is compelled, as a rational being, to treat the pupil as a rational being. At the same time as the pupil is dependent on the educator, so the educator is dependent on the pupil, so that from the beginning there is a "relation of reciprocal causality" (Fichte, 1889, 110-1).

Another example from the Science of Rights concerns the freedom of the individual and the constraints placed upon that freedom by legal association. The existence of the law is seen as both a guarantor of freedom and at the same time as a surrender of individual rights to another party. Fichte holds this to be a self-contradiction within his conception of rights, a contradiction which "must be cancelled" (Fichte, 1889, 149). The answer is to be found in the understanding of those who submit themselves to the law, and the elevation of the law into a power greater than any individual. Fichte considers that this power is not restricted to mere physical force, but is based on the will of "the union of many free beings". He maintains that the individual who enters such an agreement "receives his freedom, although he renounces it, and receives it because he renounces it," and in this way "all contradictions are solved" (Fichte, 1889, 159).

In both examples the resolution of the contradiction is located in the mind of the individual, an individual considered in abstraction from the real social world. In the first example the solution rests in a notion of compulsion entirely dependent on the educator conforming to Fichte's view of rationality. In the second, the argument is similar to the arguments of early contract theorists such as Hobbes and Locke, and the familiar objections obtain. How does "the union of many free beings" originate, and how is it renewed? It is this unhistorical, and idealist approach which separates Fichte's contradictions from Marx's, even though the problems are perennial ones, occurring in Marx in the form of the position of man as both author and object of history (e.g. the "man makes history" paradox at the beginning of the Eighteenth Brumaire of Louis Bonaparte) and in the relationship between civil society and the state (from the 1843 Critique of Hegel's Philosophy of Right through to the 1875 Critique of the Gotha Programme). But in Marx these problems are dealt with in specific historical contexts, and the resolution of contradictions is not left to the power of abstract reason.

The extent to which Fichte's role in the development of the modern dialectical method has been underestimated can be judged by the fact that some commentators have incorrectly ascribed the triad of thesis, antithesis and synthesis to Hegel.¹ Gustav Mueller refutes this ascription,² which may have been based on remarks made by Marx in The Poverty of Philosophy (6 MECW 163), although these remarks are a deliberate simplification which

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1. For example, P.H. Vigor, A Guide to Marxism, Faber and Faber, London, 1966 89-90; R.N. Carew Hunt, The Theory and Practice of Communism, Geoffrey Bles, London, 1962, 19-20; N Rotenstreich, Basic Problems of Marx's Philosophy, Bobbs-Merrill, Indianapolis, 1965, 6; S.M. Chang, The Marxian Theory of the State, Russell and Russell, New York, 1965, 31; L Lancaster, Masters of Political Thought, Vol. 111, George Harrap, London, 1969, 26; S. Hook, From Hegel to Marx, Ann Arbor, Michigan, 1976, 60ff. M Marković, 'Dialectic Today' in Marković & G. Petrović, eds, Praxis, Reidel, Dordrecht, 1979, 40; K Popper, Conjectures and Refutations, 314
 2. 'The Hegel Legend of Thesis-Antithesis-Synthesis' in Journal of the History of Ideas, 1958, 413.

form part of a scornful attack on Proudhon. Mueller admits of only one reference to the triad by Hegel, in the Preface to the Phenomenology of Mind, in which he calls it a "lifeless schema" and a "mere shadow" (Hegel, 1966, 108). However, in his History of Philosophy he attributes the triad to Kant and praises him for introducing "modes of the mind by which it is mind" (Hegel, 1896, 477). Kant had used the terms thesis and antithesis in the antinomies which figure in the Critique of Pure Reason, and he had also used the word "synthesis", but he did not use the three in combination to describe an integral process.

Although Fichte's philosophy was eclipsed by that of Hegel, it re-emerged into intellectual prominence in the Young Hegelian movement, centred on the University of Berlin, in the late 1830's. The interest which Marx expresses in Fichte in the 1837 letter to his father is therefore not unusual. The chief concern of the Young Hegelians, taking their inspiration from David Strauss's Life of Jesus in 1835, was the criticism of religion, or, as it was conceived by those engaged in it, as "the historical transition from religion to philosophy."¹

Lichtheim attributes Fichte's popularity with the radical Young Hegelians to the "stress he laid on purposeful activity,"² and indeed activity (Tätigkeit) is a key word in Fichte's philosophy, and typifies the dialectical stress on movement. August von Cieszkowski's Prolegomena to Historiosophy appeared in 1838, and its commitment to the creative power of the will and a belief in speaking in terms of what ought to be appear to

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1. W.J. Brazill, The Young Hegelians, Yale University Press, New Haven, 1970, 271-2. The extent of the controversy surrounding Strauss's work can be gathered from the fact that his appointment as Professor of Dogmatics and Ecclesiastical History at the University of Zurich sparked a civil war in Switzerland - the Sonderbund War - between 1839 and 1848. See W. Oechsli's History of Switzerland, 1499-1914, Cambridge University Press, 1922, 386ff.
 2. G. Lichtheim, A Short History of Socialism, Weidenfeld & Nicolson, London, 1970, 78.

be inspired by Fichte.¹ Cieszkowski introduces the concept of "praxis", and although he sometimes uses the term to mean no more than "practice", he also uses it in a similar way to Marx's idea of "practical-critical" activity in the Theses on Feuerbach (5 MECW 3-5). Cieszkowski writes:

The praxis formed by facts is unconscious and thus pre-theoretical whereas that formed by deeds is conscious and post-theoretical. Theory enters in the middle between the two practices revealing post-theoretical praxis as the true synthesis of the theoretical and of the immediately practical, of the subjective and the objective, insofar as doing in general is the true substantial synthesis of being and thinking.²

In a letter to Engels dated 12 January 1882 Marx denies ever reading Cieszkowski,³ but Engels and Moses Hess, important figures in the development of intellectual German communism, were familiar with the Prolegomena, and the ideas contained in the book would certainly have been widely discussed in Marx's circle.

In the Science of Knowledge Fichte establishes the foundations of the modern dialectic. At the heart of his system is an acceptance of logical contradiction, expressed in the formulation "Ego = Non-Ego and Non-Ego = Ego" (Fichte, 1970, 107), and its elevation to the propulsive role in the development of thought. The Ego is not regarded as a simple, positive force, for even this "unconditioned first principle" is conceivable only in distinction from that which it is not. No identity is possible unless it is distinct from other things. Negation does not simply annul but becomes a driving force, and the activity of thought is conceived as a constant process of thesis, antithesis, and synthesis. This conception entails the idea of the mutual determination of reciprocity of contradictory elements, whereby both sides of the contradiction are considered inseparable from one another. The positivity of contradiction and the idea of mutual determination presents us with the

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1. For a discussion of the relation between the work of Fichte and Cieszkowski see André Liebich, Introduction to Selected Writings of August Cieszkowski, Cambridge University Press, 1979.
 2. A. Cieszkowski, Selected Writings, trans. A. Liebich, Cambridge University Press, 1979, 55.
 3. See Liebich's Introduction to Cieszkowski's Selected Writings, 14-5

basic dialectical principle which recurs in the works of Schelling, Hegel, and Marx. However, both Schelling and Hegel claim to make advances on Fichte's philosophy, and as Marx attributes the modern dialectic to Hegel, it is necessary to examine the development of the idealist dialectic in Schelling and in Hegel.

SCHELLING

Friedrich Wilhelm Joseph von Schelling was five years younger than Hegel and lived for 23 years after the latter's death, but his major contributions to German philosophy came shortly after Fichte's Science of Knowledge. He was known and detested by Marx, who described him as a "windbag" in a letter to Ludwig Feuerbach in 1843 (3 MECW 349) the chief reason being Schelling's part in the reaction against the radical tendencies of the Young Hegelians. Schelling had been invited to lecture at Berlin University by Frederick William IV in November 1841.

Schelling's method centres on the exposition and understanding of contradictions, a method which, according to James Gutman, was constant throughout his long career.¹ His emphasis on contradiction was more explicit than that of either Fichte (who used the term sparingly) or Hegel.

In The Ages of the World he writes:

All life must pass through the fire of contradiction. Contradiction is life's mainspring and core....The contradiction which we have conceived here is the fountainhead of eternal life; the construction of this contradiction is the highest task of science. Therefore, the reproach that the philosopher begins science with a contradiction means just as much to him as it might mean to remind the tragic poet, upon hearing the introduction of his work, that after such a beginning only a terrible end, cruel deeds, and bloody events could ensue, when his intention is that the end come in just that way. Therefore we, too, do not shun contradiction but rather seek, in so far as we are capable, to conceive it rightly, even in detail. (Schelling, 1942, 210-11).

Like Fichte, he gives a positive evaluation to the role of contradiction.

1. See Gutman's Introduction to Schelling, 1936, xxix.

It is central to his method and he sees it as a prerequisite for creative action and discovery. He derides those who assiduously seek to avoid it:

Men appear no more disinclined from anything in life than from contradiction, which compels them to act and drives them from their comfortable rest; if contradiction cannot be covered up any longer, they try at least to hide it from themselves, and to postpone the moment when action becomes a matter of life and death. (Schelling, 1942, 105)

The desire to face up to contradiction is similar to the approach of Fichte and also that of Hegel and Marx. However, there is a difference between Fichte and Schelling concerning the resolution of contradictions. For Fichte, the resolution was made by the understanding. For Schelling, the resolution of a contradiction in the world of nature is to be found in the natural process itself, which was in turn a reflection of the mind of the Absolute. Thus the emphasis is moved away from the human understanding and onto the natural processes themselves.

Schelling, and later Hegel, considered themselves to be objective idealists, in contrast to the subjective idealism of Fichte. The latter considered that Schelling was guilty of "the very blindest and stubbornly believing empiricism" (Fichte, 1879, 235). Lukács also claims that Schelling "powerfully tended at times towards materialism in the course of his work on natural philosophy" (Lukács, 1975, 6), and Marcuse comments that in the 1820's Schelling became more inclined to support empiricism rather than any a priori metaphysics (Marcuse, 1973, 323-4). However, there is an important similarity in the way in which Schelling and Fichte deal with contradictions. Not only do they confer on contradiction a positive function, but the contradictions are never regarded as antagonistic. For Fichte, the resolution of contradictions is indicative of the development of reason, while for Schelling the resolution of contradictions in nature is indicative of the ultimate harmony of God's grand design. This benign quality which attaches to the contradictions of Fichte, Schelling, and (usually) Hegel is rejected by Marx.

In emphasising the ubiquity of contradiction, Schelling appears to be opposed to Kant, who reserved the word for those "pure" contradictions which abrogate the principle of non-contradiction and the law of the excluded

middle - Marx calls this type of contradiction a "flat" contradiction (3 MECW 128 and 1 CAP 744n), Fichte does not deal with the laws of thought (formal logic) in his writings, but Schelling faces the problem of the relationship between the positivity of contradiction and the laws of formal logic:

The principle of contradiction, correctly understood, really only says this much, that one and the same as such cannot be something and its opposite - which, however, does not preclude what is A from being able to do something else not A... The same man may be called, for example, "good" with respect to his disposition or in action: thus, as such, that is with respect to his disposition or in action, he cannot be evil. This does not preclude, however, that he may be evil with respect to what is not disposition, or what is inactive in him, and that in this way two completely opposed predicates can quite well be ascribed to him. (Schelling, 1942, 100-1)

Schelling does not reject the principle, but points to its limitations. He makes it clear that it is only operable when both sides of the contradiction, A and not-A, relate to the subject in exactly the same sense, but that we can usefully talk in terms of contradictions when this is not the case. In fact, there is a similarity to Kant here, for one of the purposes of his antinomies was to show - in opposition to Leibniz - that phenomena were not things-in-themselves, but subject to a posteriori interpretation. Kant demonstrates that it is possible to present convincing arguments in support of contradictory propositions, because the meaning of the terms and concepts involved is subject to differing nuances, etc. Contradiction, then, for Kant, can only apply to a world of formal reason. Jäsche has accurately commented that Kant has "circumscribed the use and validity of this principle" (non-contradiction) and confines it "to the pure, logical use of reason, where alone it is valid."¹ The result is a separation of reality and thought which caused Della Volpe to comment that "this intellectualism of Kant's phenomenalism suggests that the world of

1. Quoted in G. Della Volpe, Logic as a Positive Science, trans. J Rothschild, New Left Books, London, 1980, 10n.

experience itself is unreal."¹ In the conclusion to this thesis I will confront the question of the relationship of dialectical thought with formal logic, and the separation of thought and reality which takes place in the latter will be regarded as a factor of crucial importance. It is this dualism which Fichte, Schelling, and Hegel, seek to overcome and, as idealists, they all overcome it in favour of thought.

Schelling was the first to dub Fichte a "subjective idealist"² because of his stress on the Ego, and this description is also applied by Hegel. Their own claims to objective idealism rest on their non-individualistic emphasis and their attempts to infuse all branches of knowledge with their philosophy. Here is what Schelling has to say about idealism when he is talking about systematic completeness:

..... in an idealism which has been formulated into a system, it would by no means suffice to declare that "Activity, life and freedom are alone true reality." For even Fichte's idealism, subjective idealism (which does not understand itself) can go this far. Rather it is required that the reverse be proved too - that all reality (nature, the world of things) is based upon activity, life and freedom, the Ego all, but contrariwise too, all is Ego. The thought of making freedom the sum and substance of philosophy has emancipated the human spirit in all its relationships, and not only with respect to a itself, and has given to science in all its parts a more powerful reorientation than any earlier revolution. (Schelling, 1936, 24-5)

The notion that all is Ego is not a radical departure from Fichte's intentions, although Schelling appears to grant an autonomy to things which isn't present in Fichte's system. Fichte does not deny that things exist, merely that it is consciousness which makes those things into a reality for a sentient being. Schelling believes that things exist but that they are charged with spirit, emanating from God, the Absolute. For example, great works of art are not

1. Ibid, 10n.

2. See Bolman's Introduction to Schelling, 1942, 15.

simply the expressions of the individuals who create them, for "the power of the individual is insufficient - the spirit only, which spreads itself through the whole body, can accomplish it."¹

To the extent that he considers the workings of the world to be a manifestation of God, Schelling reverts to the philosophy of Spinoza. His criticism of the latter refers to the "lifelessness of his system" and "the harshness of its form" rather than to any substantive differences, and his conclusion that Spinoza's system gave too much autonomy to things (Schelling, 1936, 22) might well have been superseded by the alleged empiricism of his later writings.

The (re) introduction of universality in the Absolute forms the basis of Schelling's own distinction between objective and subjective idealism. It is a claim later taken up by Hegel, for whom material processes were a reflection of the "Idea". Cornu considers that Schelling's system "marks a first evolution from absolute idealism, which reduced everything to the thinking subject, towards a more objective idealism," and he credits Schelling and Hegel for holding a more realistic view of the world than Fichte.² However, this claim that Schelling and Hegel have achieved an "advance" on Fichte because of their "objective" idealism should be treated with caution. Fichte by no means considered that the material world comprised of imaginary entities, but merely that the material world was shaped by our understanding of it - it is created by the meaning we give to it. The primacy of the thinking subject is undeniable. For the early Schelling, and for Hegel, the objects of the material world are also shaped by a subject, but this time it is a universal subject; the Absolute for Schelling, the Idea for Hegel. In the case of Schelling, his inability to

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1. Schelling, The Philosophy of Art, trans. A Johnson, John Chapman, London, 1845, 31.
 2. A Cornu, Karl Marx et Friedrich Engels, volume one, Presses Universitaires de France, Paris, 1955, 36-7.

to explain how the individual might know the mind of the Absolute may have contributed to his alleged movement towards empiricism late in his career. As regards Hegel, Adorno correctly claims that he "left the subject's primacy over the object unchallenged".¹ So-called objective idealism does not necessarily offer a more realistic view of the world than subjective idealism, although the scope and coherence of Hegel's system undoubtedly impressed the young Marx as the best attempt up to that time to achieve a philosophical understanding of the real world. It might also be argued that the non-individualistic view of the world taken by Schelling and Hegel was later shared by Marx, but this is a superficial similarity which has to be weighed against the total rejection of the idealist premise by Marx. It should also be remembered that in Fichte's political writings (The Closed Commercial State and the Addresses to the German Nation) he postulates a collective notion of freedom which pre-dates similar views expressed by Schelling and Hegel.

HEGEL

In his Science of Logic (1812-16), Hegel claims that "everything is inherently contradictory" (Hegel, 1969, 439), and in the shorter Logic (1817) he reiterates the point by saying that "there is absolutely nothing whatever in which we cannot and must not point to contradictions" (Hegel, 1978, 133). These statements might just as easily have been made by Schelling, and are also consonant with Fichte's philosophy. Yet it is Hegel's philosophy which exerted a great, acknowledged, influence on Marx, and it is Hegel's philosophy which is often taken as a starting point in analyses of the development of Marx's dialectic. In order to understand the importance of Hegel's dialectic it is necessary to examine its place in his philosophical system, and in particular the role which the concept of contradiction plays in that system.

1. T. Adorno, Negative Dialectics, trans. E.B. Ashton, Routledge & Kegan Paul, London 1974, 38-9.

Perhaps the first thing that should be mentioned when considering Hegel's contribution to the development of the modern dialectic is that the word "system" can be applied to his work in a way which it cannot be applied to the philosophy of Fichte or Schelling. His first major work, The Phenomenology of Mind, is an analysis of consciousness beginning with the questions of sense-certainty, perception and understanding, developing through an analysis of self-consciousness to an analysis of reason, spirit, religion, and finally, absolute knowledge. Hegel makes it clear that knowledge can only be set forth fully in the form of a system, and that fundamental propositions or first principles in philosophy cannot be regarded as true in themselves (Hegel, 1966, 85). The "moments" in his system are linked in an "organic systematic whole" (Hegel, 1966, 95) and find their truth only within that whole (or totality). Hegel states that the Phenomenology sets out a "gradual development of knowing" (Hegel, 1966, 88) which involves the emergence and supersession of moments (Hegel, 1966, 89). It is this development through moments towards a totality which proceeds in a dialectical way. Contradictions between concepts are resolved and knowledge proceeds to a higher stage, and as such the concept of contradiction is of tremendous importance. I will give examples of his use of contradiction later.

In his Science of Logic the system develops from the simplest category to the most embracing, the Absolute Idea. The structure of this work is triadic, and this may well have been a significant factor in the incorrect ascription of the thesis-antithesis-synthesis formula to Hegel by several commentators. Each of the two books of the first volume is divided into three sections, each section containing three chapters.¹ The second volume is also divided into three sections, each with three chapters. The progress of philosophy through these stages occurs in the dialectical manner exhibited in the Phenomenology. The continuous supersession of concepts through their contradictory relations does not mean that those concepts "vanish" from the philosophy, for "that which forms the starting point of the development remains at the base of all that follows"; it is

1. The Philosophy of History and the Philosophy of Right are structured in similar fashion.

"preserved throughout" and remains "completely immanent" (Hegel, 1969, 71). This idea of the abolition of a concept in its initially conceived form and its preservation in a higher form is encapsulated in the word aufheben. Hegel had objected to Fichte's use of the word "synthesis" because it implied the bringing together of externally opposed categories, although Fichte clearly rejected this implication. Fichte had used Aufhebung simply to indicate "destruction".¹

In his introduction to the Science of Logic he comments on Kant's use of dialectic and contradiction. Although Kant thought that the dialectic was the logic of illusion, Hegel considered that Kant had at least acknowledged the "objectivity of the illusion", particularly in his antinomies in the Critique of Pure Reason. However, Hegel is dissatisfied with the conclusions which Kant drew from these antinomies, allowing no advance beyond the "abstract negative aspect of the dialectic". The result, according to Hegel, is that "reason is incapable of knowing the infinite" which is unsatisfactory since he considers the infinite to be reasonable and the logic of Kant's position is that "reason is incapable of knowing the reasonable" (Hegel, 1969, 56). This constitutes a rejection of Kant's unknowable thing-in-itself and a declaration of intent to overcome the dualism of Kant's system through a dialectical method which recognises the positivity of contradiction.

Hegel characterises the dialectic as "the grasping of opposites in their unity or of the positive in the negative" (Hegel, 1969, 56), and it is this method which he uses to resolve Kant's antinomies (Hegel, 1969, 190-99) and also to develop his system from its simplest to its most complete and complex summit. He stresses the mutual determination of opposites and the positive power of negation, and he criticises "ordinary" thinking for failing to recognise the "positive side of contradiction" (Hegel, 1969, 442). This brings Hegel's philosophy into conflict with the laws of thought - identity, non-contradiction, and the excluded middle, and he directly confronts these laws in the Science of Logic and also the shorter Logic.

1. Cf. Fichte, Sammtliche Werke, volume one, Berlin, 1845, 108.

His attack on the laws of thought begin with the first law, the law of identity, symbolised as $A = A$. He calls this an "empty tautology" and claims that it "has no content and leads no further" (Hegel, 1969, 413). In the Science of Logic he rejects the law of identity in two arguments. First, the law asserts that identity is not difference; therefore, identity is different from difference, and since this is "admitted to be the nature of identity, their assertion implies that identity ... in its very nature, is this, to be different" (Hegel, 1969, 413). The second argument is a development of the first, but this time based on experience. Hegel says that an answer to such as "what is plant?" or "What is God?" which merely states that "A plant is - a plant" or "God is - God" say nothing, for what is expected in the answer is a different determination. The answer sets out to say something but ends up saying nothing. "Such identical talk therefore contradicts itself," writes Hegel, who claims that in the form of the proposition in which identity is expressed (i.e. $A \text{ is } -$) there "lies more than simple, abstract identity" (Hegel, 1969, 415). That something more is described as the "pure movement of reflection (Hegel, 1969, 415). The experiential rejection of the law of identity is expressed more succinctly in the shorter Logic:

It is asserted that the maxim of Identity, though it cannot be proved, regulates the procedure of every consciousness, and that experience shows it to be accepted as soon as its terms are apprehended. To this alleged experience of the logic-books may be opposed the universal experience that no mind thinks of forms conceptions or speaks in accordance with this law, and that no existence of any kind whatever conforms to it. Utterances after the fashion of this pretended law (A planet is a planet; Magnetism is magnetism; Mind is mind) are, as they deserve to be, reputed silly. That is certainly matter of general experience. The logic which seriously propounds such laws and the scholastic world in which alone they are valid have long been discredited with practical common sense as well as with the philosophy of reason. (Hegel, 1978, 167).

Hegel's rejection of the laws of non-contradiction and the excluded middle follow on from his rejection of the law of identity. No entity can stand in isolated positivity, for its identity is dependent on its own negation. Formulations such as "not both A and not A" (non-contradiction)

and "either A or not A" cannot have meaning for Hegel, who has already stated that A has not A within itself. This internality of contradiction had already been expressed in the Phenomenology:

We have to think pure flux, opposition within opposition itself, or contradiction. For in this distinction, the opposite is not only one of two factors - if so, it would not be an opposite, or the other is directly and immediately present within it. No doubt I put the opposite here and the other, of which it is the opposite, there ... Just on that account, however, since I have here the opposite all by itself, it is the opposite of its own self, it has in point of fact the other immediately within itself. (Hegel, 1966, 206-7)

Contradiction is not simply a negative criterion for establishing veracity, but is something necessary for the movement of thought itself. Hegel criticises the dialectic of Plato because it has for its results "simply nothingness" (Hegel, 1969, 55-6) and insists that "contradiction contains the negative, but also the positive" (Hegel, 1969, 433). This view of the positivity of contradiction cannot be accommodated with the view expressed by Popper in his article 'What is Dialectic?', in which he states that contradictions are fertile "only so long as we are determined not to put up" with them (Popper, 1952, 316). In other words, once they are disclosed they help to invalidate a theory or proposition and impel us to search for a better theory or proposition. The contradiction itself is entirely negative, whereas for Hegel there are real contradictions which philosophy should recognise and understand, rather than simply eliminate:

Our consideration of the nature of contradiction has shown that it is not, so to speak, a blemish, an imperfection or a defect in something if a contradiction can be pointed out in it. On the contrary, every determination, every concrete thing, every notion, is essentially a unity of distinguished and distinguishable moments, which, by virtue of the determinate, essential difference, pass over into contradictory moments. (Hegel, 1969, 442).

Hegel rejects the traditional laws of thought, commenting that "neither in the world of mind nor of nature is there anywhere such an abstract 'either-or'," and "contradiction is the very moving principle of the world"

(Hegel, 1978, 174).¹

Hegel, then, presents a dialectical logic which rejects the claims of the principles of identity, non-contradiction, and the excluded middle to be the universal laws of thought. Contradiction for Hegel leads to the production of "moments" whose concatenation comprises the whole system of philosophy. Some examples of this use of contradiction will illustrate this point. Perhaps the most basic example is that of motion. He congratulates Zeno of Elea "who first showed the contradiction native to motion" (Hegel, 1978, 133), but rejected Zeno's conclusion. One of Zeno's paradoxes concerns the arrow in flight, which at any given moment is in a particular position and therefore at rest. At every moment in its flight the arrow is therefore at rest. Faced with this contradiction between movement and rest, he concluded that there could be no movement. Hegel comments:

Something moves, not because at one moment it is here and at another there, but because at one and the same moment it is here and not here, because in this "here", it at once is and is not. The ancient dialecticians must be granted the contradictions that they pointed out in motion; but it does not follow that therefore there is no motion, but on the contrary, that motion is existent contradiction itself.
(Hegel, 1969, 440)

Movement and contradiction are therefore at the heart of Hegel's philosophy. Transition to a higher order occurs through contradiction. In the first section of the Science of Logic the transition from pure being to being-for-self comes about through the positive contradiction between the finite and the infinite, conceived as the "grasping of opposed moments in their unity", which he considers to be "the specific nature of speculative thought" (Hegel, 1969, 152). In rejecting the idea that the finite and the infinite are qualitatively distinct entities as opposed to being interrelated, he considers that such an understanding is entangled in "absolute contradiction" (Hegel, 1969, 139). This is an "ordinary" use of contradiction in conformity with

1. The quotations are taken from the Zusätze, the supplements supplied by Leopold von Henning and based on lecture notes of Hegel and his students.

the principles of non-contradiction. It is a rare usage by Hegel, but it shows that as well as holding a conception of dialectical contradictions he occasionally reverted to the contradictions of formal logic.

Many of Hegel's contradictions are not very profound, and many actually repeat the formulations of Fichte and Schelling. In the case of the opposition between light and darkness both Fichte and Hegel provide the same resolution after following identical arguments. Hegel concludes that "it can be empirically observed that darkness does in fact show itself active in light" (Hegel, 1969, 102), just as Fichte, writing 20 years earlier, remarks that "darkness is simply a very minute quantity of light" (Fichte, 1970, 138). All three philosophers use the growth of a plant to illustrate the dynamism of oppositional phases (Fichte, 1879, 500; Schelling, 1936, 35; Hegel, 1966, 68). But these specific contradictions serve only to illustrate the inadequacy of thought which limits itself to black and white distinction in which everything is either true or false.

Fichte inaugurates the modern dialectic in his analysis of the relationship between the Ego and the Non-Ego in the Science of Knowledge, but for him philosophy remains compartmentalised, separated from other fields of knowledge. His political writings are conceived as "popular" and bear no discernible relation to his philosophical writings. Hegel, on the other hand, sees the dialectic not as just the positivity of contradiction, but as the development of a whole system of knowledge achieved through stages in which each transition is effected through contradictions. As well as the "traditional" philosophical areas covered in the Phenomenology and the two versions of the Logic, his dialectical philosophy reaches out to nature, religion, aesthetics, politics, and history. The Philosophy of History conceives the history of the world as "the realisation of the Idea of Spirit,"¹ with transitions between epochs represented in terms of the achievement of an ever higher Spirit, but these idealistic formulations contain a striving

1. G.W.F. Hegel, The Philosophy of History, Dover, New York, 1956, 25 and 457.

to understand historical movement, to delineate epochs and to account for their fall and rise. Marx was to make a similarly bold sweep from totally different premises.

MARX AND HEGEL

Marx makes two critiques of Hegel early in his career, and there follows a gap of 14 years before he comes out with an appreciative reference to Hegel's method. In the following chapter I will examine Marx's criticisms of Hegel contained in the Critique of Hegel's Philosophy of Right of 1843, as this is considered as a text of central importance in respect of the development of Marx's concept of contradiction. In this section I will look briefly at Marx's critique of Hegel's dialectic contained in the Economic and Philosophic Manuscripts of 1844, and the remarks on Hegel from 1858 onwards. I will then review the major interpretations of the Marx-Hegel link made by Marxists since Marx's death in 1883.

Marx's criticism of Hegel in the Manuscripts focuses on the abstract and idealist nature of his philosophy. Hegel sees that entities are alienated from man, but the alienation is merely the alienation of thought-entities, and Hegel's philosophy is concerned with their recovery, resulting in absolute knowledge. Marx complains that in Hegel "the whole history of the alienation process and the whole process of the retraction of the alienation is therefore nothing but the history of the production of abstract thought" (3 MECW 331). Marx is dissatisfied with the way Hegel treats the products of men as the products of pure thought, resulting in a "dialectic of pure thought" (3 MECW 332). This results in a conceptual resolution of the real contradictions which Hegel does perceive. The recognition of alienation by a man in itself re-affirms his true human life, according to Hegel, and this means that "self-confirmation in contradiction with itself - in contradiction with both the knowledge and the essential being of the object - is thus true knowledge and life" (3 MECW 339). Marx terms this "false positivism", and he is clearly unhappy with the way the negation of the negation "takes place within the confines of the estrangement" (3 MECW 344).

The critique also contains some appreciation of Hegel's achievements. Despite the idealistic premises and framework, Hegel's work grasps the importance of alienation and labour:

The outstanding achievement of Hegel's Phenomenology and of its final outcome, the dialectic of negativity as the moving and generating principle, is thus first that Hegel conceives the self-creation of man as a process, conceives objectification as loss of the object, as alienation and as transcendence of this alienation; that he thus grasps the essence of labour and comprehends objective man - true, because real man - as the outcome of man's own labour. (3 MECW 332-3).

Marx considered that the transcendence of alienation in Hegel's philosophy was vitiated by its idealist nature, and that the labour involved - "the only labour which Hegel knows and recognises" - is "abstractly mental labour" (3 MECW 333). However, Marx considers that despite operating "within the sphere of abstraction," Hegel's conception of labour as "man's act of self-genesis" (3 MECW 342) represents a real advance in philosophy. It has been argued by Gadamer¹ that Hegel was talking about material labour, not just mental labour, but the important point for Marx is that the idealistic nature of Hegel's method enables him to "resolve" the alienation problem in a way which leaves the world of material labour untouched. For instance, in the master-slave relationship in the Phenomenology Hegel considers that "precisely in labour where there seemed to be merely some outsider's mind and ideas involved, the bondsman becomes aware ... of having and being a 'mind of his own'" (Hegel, 166, 239). It will become evident in the course of this thesis that such a conclusion is wholly incompatible with Marx's views on alienation and exploitation.

Having dealt with Hegel in the writings of 1843 and 1844, Marx goes on to criticise the Young Hegelian school, the work of Proudhon, and then proceeds to political analyses and research in political

1. H.G. Gadamer, Hegel's Dialectic, trans. P. Christopher Smith, Yale University Press, London, 1976, 73.

economy. It was during this research that he again voiced a qualified appreciation of Hegel

In a letter to Engels of 14 January 1858 Marx states that in dealing with the question of profit he had found Hegel's Logic to be of great help, and that he would like to write a two or three printers' sheet summary - a small book - of what is rational in the method discovered by Hegel but which Marx considers to be "enveloped in mysticism" (MESC 93).

There is a ten year gap before his next pronouncement on the value of Hegel's method, contained in a letter to Kugelmann of 6 March 1868. In repudiating the views of the materialist philosopher Dühring he writes:

He knows very well that my method is not Hegelian, since I am a materialist and Hegel is an idealist. Hegel's dialectic is the basic form of all dialectics, but only after it has been stripped of its mystical form, and it is precisely this which distinguishes my method. (MESC 187)

This is a tacit acknowledgment by Marx that his own method is dialectical, and that there is a basic distinction between Marxist and Hegelian dialectics on the ontological dichotomy between materialism and idealism.

In another letter to Kugelmann on 27 June 1870 Marx acknowledges a closer affinity to Hegel's method, for he states that it is the Hegelian method which he is applying in a different, "critical", way:

What the same Lange says about the Hegelian method and my application of it is really childish. First of all, he understands nothing about Hegel's method and secondly, as a consequence, even less about my critical method of applying it. In one respect he reminds me of Moses Mendelssohn. For that prototype of a windbag wrote to Lessing, asking how Lessing could possibly take that "dead dog Spinoza" seriously. Similarly Mr Lange wonders that Engels, I, and others take the dead dog Hegel seriously, after Buchner, Lange, Dr Dühring, Fechner, etc., have long ago agreed that he - poor dear - had long been buried by them. Lange is naive enough to say that I "move with rare freedom" in empirical matter. He hasn't the least idea that this "free movement in matter" is nothing but a paraphrase for the method of dealing with matter - that is, the dialectical method ... (MESC 225)

Perhaps the most frequently discussed of Marx's later allusions to Hegel occurs in the Preface to the second edition of Capital, written in January 1873, when he states that in Hegel's writings the dialectic is "standing on its head" and that "it must be inverted, in order to discover the rational kernel within the mystical shell" (1 CAP 103). It is interesting to note that Marx says he had called himself a disciple of Hegel when preparing the first volume of Capital because he was irked by the dismissive attitude adopted by certain German intellectuals towards Hegel. Once again Marx likens this attitude to Mendelssohn's dismissal of Spinoza, and it is evident that Marx maintained a respect for the intellectual achievements of certain philosophers despite their idealism or their political persuasions. In the same Preface Marx stresses the "materialist base" of his method (1 CAP 100) and insists that his dialectical method is "in its foundations, not only different from the Hegelian; but exactly opposite to it" (1 CAP 102). In these remarks he emphasises the distinctiveness of his own, materialist - and dialectical - method, while also expressing a debt to Hegel.

As early as 1859, in a review of Marx's A Contribution to the Critique of Political Economy, Engels asserts that the method employed constitutes a materialist adaptation of Hegel's method (1 MESW 366-76). Engels attempts to systematise the materialist dialectic and demonstrate its appropriateness for the natural sciences as well as the social sciences in Anti-Dühring, published in 1878, and the Dialectics of Nature, written in the late 1870's but published in 1927. In the latter he claims that the general laws of dialectics can be "reduced in the main to three: the law of the transformation of quantity into quality and vice versa; the law of the interpenetration of opposites; the law of the negation of the negation."¹ These Hegelians "laws" are said to be

1. F. Engels, Dialectics of Nature, Foreign Languages Publishing House, Moscow, 1954, 83.

deduced from nature and history, as opposed to being "foisted on" them in an a priori fashion, although in Socialism: Utopian and Scientific, he comments that "nature is the proof of dialectics" (2 MESW 131). Socialism: Utopian and Scientific comprises three chapters from Anti-Dühring and it was an extremely popular introduction to marxism during the period of the Second International (and after). Engels' views on the relationship between dialectics and the natural sciences were again expounded in Ludwig Feuerbach and the End of Classical German Philosophy, published in 1888, in which he writes that dialectics is "forcing itself against their will even into the metaphysically-trained minds of the natural scientists" (2 MESW 390).

Engels claimed that his work on dialectics was approved by Marx, but there is little evidence to show that Marx was interested in his endeavours in this area.¹ Certainly Marx's dialectic is confined to the social sciences and he was acutely aware of the danger of reifying method or theory and thereby encouraging an uncritical and insensitive approach to the subject under investigation (see below, 114 and 170). Engels' codification of the "laws" of the dialectic may well have encouraged such dangerous practices. Gramsci, in his instructive comments on studying Marx contained in the Prison Notebooks, wisely delivers a warning against presuming homogeneity when discussing Marx and Engels, reminding us simply that Engels is not Marx.² Despite the paucity of evidence suggesting that Marx approved the works of Engels on the dialectics of nature, the "marxist" dialectic known to Marxists in the half-century after Marx's death was gleaned mainly from Engels. Of the older Marxists in the Second International only Plekhanov demonstrates an appreciation of Hegel's work, and yet its significance

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1. For a rejection of the claim that Marx approved the work of Engels on dialectics see Terrell Carver, Engels, Oxford University Press, Oxford, 1981. An interesting discussion on the dialectics of nature between John Hoffmann and Richard Gunn is found in 21 Marxism Today, January and February, 1977.
 2. A. Gramsci, Selections from the Prison Notebooks, trans. G. Hoare & G.N. Smith, Lawrence & Wishart, London, 1976, 385.

is obscured in the emphasis he placed on monistic materialism. This is characterised by his exaggeration of Feuerbach's influence on Marx in Fundamental Problems of Marxism, and the whole thrust of The Monist Conception of History.

The first Marxists to give sensitive appraisals of the Marx-Hegel link - Lenin, Lukács, and Korsch - had only a few of Marx's early writings to help them. The Critique of Hegel's Philosophy of Right did not appear until 1927, the Economic and Philosophic Manuscripts surfaced in 1932, and the full version of The German Ideology was published in 1932. Nor was the Grundrisse, first published in 1953, available to them.

Dialectics for Lenin is "the study of contradiction in the very essence of objects" (Lenin, 1972, 253-4), but his interest in Hegel only began after the outbreak of the First World War. Prior to that, his major philosophical work, Materialism and Empiriocriticism (1909) concentrated on expounding a copy or reflection theory of knowledge which has little to do with dialectics. In the Philosophical Notebooks of 1914-15, he criticises Plekhanov for failing to see the central importance of the dialectic as theory of knowledge (Lenin, 1972, 362). Lenin appreciates the way in which Hegel's dialectical process integrates subject and object, although he naturally rejects the consistent idealism of Hegel, consigning it to the "rubbish heap" (Lenin, 1972, 169-71). The ideas of reciprocity and totality - the understanding of interaction not just in isolated moments, but in the whole which comprise these moments - are accepted enthusiastically by Lenin (Lenin, 1972, 159; 259-60). Michael Löwy, in a provocative article claiming that Lenin's study of Hegel resulted in a profound change in his political thought, argues that "the materialist reading of Hegel ... freed Lenin from the straitjacket of the pseudo-Marxism of the Second International, from the

theoretical limitation it imposed on his thinking."¹ The first major manifestation of this more flexible approach to strategy is the delivery of the April theses in 1917, rejecting the traditional "stages" approach to the achievement of the dictatorship of the proletariat.²

The importance of the Hegelian influence on Marx is stressed in two works which appeared in 1923, Lukács's History and Class Consciousness and Korsch's Marxism and Philosophy. Lenin's writings which comprise the Philosophical Notebooks were unknown to both writers, but Lukács later acknowledges that they were "moving in a similar direction" (Lukacs, 1971, xx). Lukács makes the bold claim that "it is not the primacy of economic motives in historical explanation that constitutes the decisive difference between Marxism and bourgeois thought, but the point of view of totality" (Lukács, 1971, 27). By totality, he means "the all-pervasive supremacy of the whole over the parts" or "the subordination of every part to the whole unity of history and thought" (Lukács, 1971, 27-8). By this he means that the object of investigation should be placed in its historical context rather than analysed as an isolated phenomenon. He also means that the subject performing the investigation should appreciate that he is part of a totality, and therefore adopt a class standpoint rather than the false objectivity assumed in the individualistic approach of bourgeois social science. Lukács later repudiates his claim for the primacy of totality, for that totality itself can only be understood through an acceptance of Marx's conception of history which includes the "primacy of economic motives" (Lukács, 1971, xx). Lukács had overstated his case in an attempt to

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1. M. Löwy, 'From the Logic of Hegel to the Finland Station in Petrograd' 6 Critique, Spring 1976.
 2. Ibid, 12-15.

break out of the stultifying interpretation of Marxism which had prevailed in the Second International, an interpretation which Korsch condemns as "a set of purely scientific observations, without any immediate connection to the political or other practices of class struggle" (Korsch, 1972, 54).

Lukács explicitly repudiates Engels's application of the dialectic to nature, on the grounds that the significance of Marx's dialectic is to be found in the interrelationship of theory and practice, subject and object, which obviously involves man (Lukács, 1971, 24n and 132-3). Korsch is more circumspect, but he criticises Engels for his "incorrect and undialectical" approach evident in Anti-Dühring and Ludwig Feuerbach (Korsch, 1972, 69n). The fact that such important statements are confined to footnotes testifies to the intimidating power of Marxian orthodoxy, an orthodoxy which owed as much, if not more, to the work of Engels as it did to Marx. Both Lukács and Korsch came under considerable pressure in the 1920's, which resulted in Lukács foresaking practical political work and Korsch being expelled from the German Communist Party.

Nowhere in the writings of Lenin, Lukács, and Korsch is there found a suggestion of a radical discontinuity in Marx's thought, and they all share the view that Marx's dialectical method expresses a debt to Hegel. However, after the publication of The German Ideology - the important part one appeared for the first time in 1924 (in Russian; 1926 in German) - the Economic and Philosophic Manuscripts and the Critique of Hegel's Philosophy of Right, theoretical interpretations appear which assert a profound discontinuity in Marx's thought.

Henri Lefebvre's Dialectical Materialism, written in the late 1930's and published in 1940, maintains that Marx rejected Hegel completely from 1844, that he treated Hegel's Logic with "the utmost contempt" and that Hegel's dialectic "appears to have been damned once and for all" (Lefebvre, 1974, 79 and 81). He then goes on to claim that the dialectical method was "rediscovered and rehabilitated" by Marx in the late 1850's, in connection with his work in political economy. He

accepts that there is a theory of social contradictions implicit in the 1848 Manifesto of the Communist Party, but interprets this as being "inspired by humanism and by 'alienation' in the materialist sense of the term rather than by Hegelian logic" (Lefebvre, 1974, 81).

Perhaps the leading post-war exponent of the radical discontinuity interpretation is Louis Althusser, who borrows the concept of an "epistemological break" to indicate the rupture between Marx's scientific thinking (from 1846) and his young, "ideological" thinking (Althusser, 1969, 32). Responding to the Marxist humanism expoused in France by writers such as Lefebvre and Roger Garaudy, Althusser sought to switch the focus back to Marx's mature, "scientific" work, Capital, as opposed to the early writings. He condemns the idealistic Hegelian contradiction as a "simple" one, being insensitive to the real complexity of historical factors but striving to provide "the magical movement of the concrete contents of a historical epoch towards their ideological goal" (Althusser, 1969, 104). In emphasising Marx's differences from Hegel, the similarities are suppressed, and mentions of dialectic and alienation are avoided. In general this anti-Hegelian line is adopted by the French structuralist Marxists, including Balibar, who co-authors Reading Capital with Althusser, and also Maurice Godelier, who claims that "Marx's dialectic has nothing to do with Hegel's, because they do not depend on the same notion of contradiction" (Godelier, 1973, 335). I will deal with this claim in the following chapter. It should be added that both Althusser and Godelier do acknowledge that Marx owed something to Hegel. Althusser admits that his early work omits any consideration of this, but that Marx "owed Hegel a crucial gift; the idea of dialectic."¹ However, he then maintains that the "principal positive debt" was the "concept of a process without a subject"² which

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1. L. Althusser, Politics and History, trans. B. Brewster, New Left Books, London, 1972, 174.
 2. Ibid, 185.

gives a tendentious precedence to "objective" structures. Godelier, for his part, concedes that Marx "inherited the dialectical tool, but declines to use it in order to show... that some speculative assumption was 'true'."¹

In For Marx Althusser credits two Italian Marxists, Galvano Della Volpe and Lucio Colletti, for being "the only scholars who have made an irreconcilable theoretical distinction between Marx and Hegel" (Althusser, 1969, 38). Della Volpe's Logic as a Positive Science, published in 1950 is highly critical of the Hegelian dialectic and the importation of an a priori dogmatism which he considers to be a feature of the dialectical materialism of that time. There is a vigorous defence of the principle of non-contradiction as the basis for scientific thought, and Hegel's dialectical contradictions are regarded only as an instrument for understanding oppositions (or contraries) which can be expressed within the principle of non-contradiction.

This reversion to Kant's view of contradiction is shared by Colletti, who also rejects the idea of a dialectic of nature in Marxism and Hegel. In an important article, 'Marxism and the Dialectic', he points to the similarity between Della Volpe's view on the principle of non-contradiction and the work of post-war East European theorists Wolfgang Harich, Paul Linke, George Klaus, and K. Ajdukiewicz. However, Colletti, who was in agreement with Della Volpe, adopts an original stance. He recognises that within Marx's work in political economy, the concepts of fetishism and alienation are central to his whole enterprise and they contain dialectical contradictions which do not conform to the principle of non-contradiction. But Colletti insists that the principle of non-contradiction is "the fundamental principle of materialism and of science" and that "science is the only means of apprehending reality" (Colletti, 1975, 28-9). In order to rescue Marx from being

1. M. Godelier, Rationality and Irrationality in Economics, trans. B. Pearce, New Left Books, London, 1972.

unscientific he claims that "capitalism is contradictory not because it is a reality and all realities are contradictory, but because it is an upside-down, inverted reality" (Colletti, 1975, 29). The implication of this claim will be examined in the conclusion to this thesis.

A considerable number of commentators have stressed the importance of the dialectical method in Marx's works, the continuity of his thought and the centrality of the alienation theme.¹ Perhaps the earliest to produce a sustained work on Marx's Hegelian heritage is Marcuse.

Reason and Revolution, published in 1941, emphasises the importance of the alienation and labour themes in Hegel, and the fact that the "spirit of contradicting is the propulsive force of Hegel's dialectical method" (Marcuse, 1973, 11). According to Marcuse, "the dialectic developed out of Hegel's view that reality was a structure of contradictions" (Marcuse, 1973, 37), a view shared by Marx, although from a "materially different foundation" (Marcuse, 1973, 258). Towards the end of the book he attempts to summarise the nature of Marx's dialectic and its relation to Hegel's, stressing their shared view of the "negative" character of reality but pointing to Marx's emphasis on the "contradictions of class society" as "the motor of the social process" (Marcuse, 1973, 312).

Surprisingly, Marcuse does not mention Engels in Reason and Revolution. Foremost among those who have emphasised the Hegelian influence on Marx but who have rejected Engels's work on the dialectics of nature is Jean-Paul Sartre. Although his Critique of Dialectical Reason does not attempt an exegesis of Hegel or Marx, it contains lengthy consideration of the nature of the dialectic, its materialist basis and its place in scientific practice.

In recent years the Praxis group in Yugoslavia have been active in stressing the continuing relevance of the concerns of Marx expressed during his early confrontation with German philosophy. Marković, one of their leading representatives, fixes on the concept of contradiction

1. In the English-speaking world the writings of Avineri, Mészáros, and McLellan (see bibliography) have been particularly noteworthy.

as the essential similarity in the method of Hegel and Marx - "contradictions are the moving principle of the world both in Hegel and Marx."¹ Marković is critical of Engels for some formulations which lack the dialectic of subject and object, theory and practice.² He is also critical of Lukacs for tending towards a mechanical separation between human history and nature. However, as he acknowledges that Lukacs was aware of this danger and explicitly warned against it, the criticism lacks bite. Marković recommends a dialectical understanding of the acts of discovering and mastering nature "insofar as it can be understood as an element of the modern revolutionary process of the emancipation and self-realisation of man in history";³ this does not constitute a defence of the dialectics of nature per se but only a defence of the dialectics of the history and sociology of natural science. This accords with the view adopted by Alfred Schmidt in The Concept of Nature in Marx.

In the following chapter I will examine how Marx develops his own dialectic in those early writings which constitute a radical critique of Hegel and his epigones. As it is this method which Marx employs in his later writings in political economy, the Althusserian rejection of the young Marx cannot be accepted. I will show that in order to understand Marx's dialectic an understanding of his work on alienation and the human essence in 1844 is imperative, and I fail to see how the Althusserian interpretation can make sense of a work such as the Grundrisse, which is replete with the concept of alienation, or Capital itself, in which the section on the fetishism of commodities, echoing the alienation theme, occupies a role of central importance. A careful examination of the origins and development of Marx's concept of contradictions lends support to those writers who have emphasised the

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1. M. Marković, The Contemporary Marx, Spokesman Books, Nottingham, 1974, 36.
 2. M. Marković, 'Dialectic Today' in Marković & G. Petrovic, eds., Praxis: Yugoslav Essays in the Philosophy and Methodology of the Social Sciences, Residel, Holland, 1979, 18.
 3. Ibid, 22.

continuity of Marx's thought and the preservation of many of the concerns and ideas present in the early writings and their presence in the writings of his English exile. As regards Lefebvre's "rediscovery" thesis, I do not think there is evidence to suggest that Marx ever rejected the dialectical method in the first place. My chapter on the Brumaire - which Marx begins by quoting (or misquoting) Hegel - will show that Marx adopts a dialectical method before Lefebvre's year of rediscovery. The questions of the relationship between the dialectic and formal logic, and the application of the dialectic to the natural sciences, will be discussed in the conclusion to this thesis.

CHAPTER TWO

THE ORIGINS AND EARLY DEVELOPMENT OF MARX'S CONCEPT OF CONTRADICTION

Three decisive stages in the development of Marx's concept of contradiction can be found in his writings of 1843-46. The first occurs in his Critique of Hegel's Philosophy of Right, in which he criticises Hegel's views on opposition and mediation and develops the idea of essential contradiction. The second is found in The Holy Family in which, in the course of criticising the Young Hegelians, he calls for an investigation of the genesis of particular contradictions and a generalisation of the lessons learned in such an exercise. The third comprises his idea of the general contradiction of the capitalist economic system, expressed in a more or less developed form in The German Ideology but adumbrated earlier in the Economic and Philosophic Manuscripts.

In the Critique of Hegel's Philosophy of Right he subjects that part of Hegel's work dealing with the state to detailed critical analysis. He immediately objects to the idealist nature of Hegel's method, complaining that it inverts the subject-object relationship by reducing real social relationships to objects of the idea:

The idea is made the subject and the actual relation of family and civil society to the state is conceived as its internal imaginary activity. Family and civil society are the premises of the state; they are the genuinely active elements, but in speculative philosophy things are inverted. When the idea is made the subject, however, the real subjects, namely, civil society, family, "circumstances, caprice, etc.", become unreal objective elements of the idea with a changed significance. (3 MECW 8)

It is this "changed significance" which prevents Hegel, according to Marx, from seeing that the opposition between civil society and the state is an essential contradiction which the Prussian state suppresses.

Ludwig Feuerbach had already provided a materialist critique of Hegel which strove to "reverse" the subject-object relationship. He had written his Contribution to the Critique of Hegelian Philosophy in 1839,

and his rejection of idealism is implicit in his popular work, The Essence of Christianity, published in 1841. Two important methodological works appeared in February 1843, the Preface to the second edition of Essence of Christianity and the Preliminary Theses for the Reform of Philosophy. In the latter he writes:

We need only turn the predicate into the subject and thus as subject into object and principle - that is, only reverse speculative philosophy. In this way, we have the unconcealed, pure and untarnished truth. (Feuerbach, 1972, 155).

In July of the same year he published another work developing his methodological prescriptions, Principles of a Philosophy of the Future.

It is not clear from his notebooks which works of Feuerbach Marx had read at the time he was writing his Critique of Hegel between May and October 1843. Engels later mentions the enthusiasm which greeted the Essence of Christianity - "we all became at once Feuerbachians" (MESW 592), but Marx's extant appreciations of Feuerbach relate to the Preface to the second edition of the Essence of Christianity¹ and the other two works of 1843.² It is clear that at least until the end of 1844 Marx was a great admirer of Feuerbach's work, although after that he severely criticises its limitations. Colletti's argument that Feuerbach's influence on Marx was marginal³ tends to underestimate the fact that Feuerbach's "transformation" of the Hegelian method is adopted by Marx, and the criticism of religion as expounded by Feuerbach was undoubtedly helpful in the development of Marx's own thinking on alienation and ideology. It is true, as Colletti says, that the inversion of the subject-object relationship is a recurring theme in philosophy, particularly in the debates between materialism and idealism which have taken place since antiquity, but

1. Letter from Marx to Feuerbach, 3 October 1843 (3 MECW 349-51).

2. In the Economic and Philosophic Manuscripts, in the section in which he criticises Hegel, he writes that "Feuerbach, both in his Theses... and, in detail, in the Philosophy of the Future has in principle overthrown the old dialectic and philosophy." (3 MECW 327)

3. L. Colletti, Introduction to K. Marx, Early Writings, Penguin, Harmondsworth, 1975, 24.

Feuerbach's work addressed itself to those problems which were regarded as the burning intellectual issues of the day, and Marx made full use of it. It is precisely by attacking Hegel's idealist method that Marx arrives at his original conception of essential contradiction.

In Hegel's analysis of the relationship between the monarch and the political estates (representatives of groups of people, defined by birth, wealth, or occupation) he poses the problem of achieving a harmonious constitution:

The political estates element contains at the same time in its own determination the distinctions of estates already present in the earlier spheres. Its initially abstract position, that of the extreme of empirical generality over against the royal or monarchical principle in general, a position which implies only the possibility of harmony and therefore likewise the possibility of hostile confrontation, this abstract position becomes a rational relation (a syllogism, cf. remark to para 302) only if its mediation is actually effected. Just as from the monarchical authority the executive already has this attribute (para 300), so likewise one aspect of the estates must be adapted to the function of existing essentially as the middle element. (In 3 MECW 74; cf. Hegel, 1967, 198-9)

Here Hegel contrasts the variety of interests contained in the notion of political estates with the individual interest contained in the notion of a monarch. Hegel considers these interests to be extremes, capable of either harmony or conflict. The relationship between these two interests can only become rational if it is mediated. The extreme individualism can be limited by the formation of an executive, and Hegel contends that the extreme of generality must also be limited by some form of selection. Hegel's solution - the estate which will combine particular and general interests - is the landed nobility. Hegel claims that because the wealth of this class is independent from the state and the "uncertainty of business", and because they are independent of the executive and the "crowd" they are ideally fitted to fill this position of political mediation. Hegel praises primogeniture because it allows the beneficiary the freedom to devote his attention to service with the state.

The landed nobility thus form the mediating link from the point of view of the estates, although the other estates, i.e. industrial, financial, mercantile interests, also have their political expression in the Lower House, comprising elected representatives. Hegel suggests a limited electorate, as popular suffrage leads to indifference, "since one vote has an insignificant effect where there are so many, and those who are entitled to vote, however much this right is brought to their notice as something valuable, simply do not turn up to vote" (Hegel, 1975, 203). On the one hand Hegel expresses an acceptance of representation, on the other hand he is concerned to restrict it. Marx accuses him of uttering a "flat contradiction"; representation is founded on trust and yet at the same time that trust is withheld - "this is merely an empty game" (3 MECW 128). Hegel, because he has treated "real" issues in an abstract, idealist, way, e.g. the state regarded as the actuality of ethical Idea, the monarchy regarded as the abstract particularity, the civil society regarded as the abstract universal etc., has arrived at a solution in appearance only:

Hegel has achieved the feat of deriving the born peers, the hereditary landed property, etc., etc., from the absolute idea.

It shows Hegel's profundity that he feels the separation of civil from political society as a contradiction. He is wrong, however, to be content with the appearance of this resolution and to pretend it is the substance, whereas the "so-called theories" he despises (Montesquieu, etc.) demand the "separation" of the civil from the political estates - and rightly so, for they voice a consequence of modern society, since there the political-estates element is precisely nothing but the factual expression of the actual relationship of state and civil society, namely, their separation.

Hegel does not call the matter here in question by its well-known name. It is the disputed question of a representative versus estates constitution. The representative constitution is a great advance, since it is the frank, undistorted, consistent expression of the modern condition of the state. It is an unconcealed contradiction. (3 MECW 75)

Marx here accuses Hegel of arriving at a neat solution by conceptual sleight of hand, and indeed, this was typical of the method of not only Hegel but also Fichte and Schelling. This is exemplified in Hegel and Fichte's identical solution to the apparent contradiction between light

and darkness (see above 30). For Marx, the division between the state and civil society is a product of history. The division will not be overcome conceptually, but requires a historical solution. He supports the idea of a representative constitution because that most clearly reflects the divisions within society. Marx wants the contradiction to be brought into the open, and he criticises Hegel for believing that "the contradiction of appearances" can be resolved as "unity in essence", whereas in fact he is dealing with "an essential contradiction" which will not be mediated in practice (3 MECW 91).

To illustrate his criticism, Marx compares Hegel's "accommodation" with a situation in which two men want to fight but are afraid of being bruised. They introduce a third man to step in between to take the hiding, but now one of the first two men acts as a third man, and the process continues without any decision. Marx states:

This system of mediation also comes about so that the same man who wants to beat up his opponent must protect him on all sides from the thrashing of other opponents, and so in this double occupation never comes to carry out his business. It is strange that Hegel, who reduces the absurdity of mediation to its abstract, logical and therefore unadulterated, unique expression, describes it at the same time as the speculative mystery of logic, as the rational relationship, as the syllogism of reason. Real extremes cannot be mediated precisely because they are real extremes. Nor do they require mediation, for they are opposed in essence. They have nothing in common, they do not need each other, they do not supplement each other (3 MECW 88).

Marx has thus introduced the notion of an essential contradiction, which was to remain central to his thinking throughout his life.

He distinguishes between three types of opposition (in the passage concerned he uses the words Gegensatz and Unterschied, but two pages later, returning to the concrete example of the legislature, reverts to the use of Widerspruch). He identifies an existential opposition as involving differences within the same essence such as male and female, both belonging to the same species. This is the most common type of opposition in the works of the German speculative philosophers, and in

this case Marx sees the unity of the opposition to be necessary and desirable, as in procreation (3 MECW 88)

Marx's essential opposition involves differences between distinct essences, such as human and non-human. In that particular example the definition of essence is supplied by Marx in other works, e.g. in his discussion of alienation in the Economic and Philosophical Manuscripts and in the first volume of Capital (1 CAP 283-4), in which he discusses what sets man apart from other animals. However, Marx does not present any criteria for denoting essence; he treats his use of the word as axiomatic, and this leads to difficulties when the notion of essential contradiction is employed in his economic writings. In the Critique Marx argues that essential contradictions cannot be reconciled, and he departs from the German speculative tradition by deploring the view that this "eagerness to bring the fight to a decision is thought of as something possibly to be prevented or something harmful" (3 MECW 88). He denies the possibility or desirability of mediation for these "real extremes" and he rejects the possibility of an identity of opposites in this type of contradiction. This departure from Hegel develops from a rejection of the latter's idealist presuppositions which prevent him, according to Marx, from accepting essential contradictions within political society, and lead him to present an ideological vindication of the Prussian status quo.

At this point Marx delivers a swingeing criticism of the Young Hegelians which presages important developments in his notion of contradiction which occur later in The Holy Family. The school of "vulgar criticism", as he calls them, exposes contradictions everywhere, but fails to explain their origins. Marx proposes the following approach:

The truly philosophical criticism of the present state constitution not only shows up contradictions as existing; it explains them, it comprehends their genesis, their necessity. It considers them in their specific significance. But comprehending does not consist, as Hegel imagines, in recognising the features of the

logical concept everywhere, but in granting the specific logic of the specific subject.
(3 MECW 91)

Marx considers that it is not enough to correct the faults in Hegel's logic, but that the abstractness engendered by the idealist method must be overcome by the specificity and historicity of the contradictions being investigated.

The third type of opposition set down by Marx is the most difficult to grasp. Parekh has observed that it is not a genuine opposition (Parekh, 1979, 96)¹ but results from a process of double abstraction, whereby a concept is considered abstractly, only in relation to another abstraction. Marx uses two examples; the opposition between matter and spirit and the opposition between philosophy and religion. Materialism and spiritualism appear to be in real opposition, but this stems from a misapprehension of reality. Materialism emphasises the material aspects of reality and therefore provokes an apparent opposite, spiritualism, and vice-versa. Similarly, philosophy and religion constitute extremes, but Marx contends that they do not form true opposites, "for philosophy comprehends religion in its illusory actuality ... there is no actual dualism of essence" (3 MECW 89). To follow Marx's language as closely as possible, it is perhaps apt to name this type of opposition illusory.

Marx considered that Hegel had failed to discern these different types of opposition - existential, essential, and illusory - because of the idealist method. It is left for Marx to develop his most important conclusion, the reality of essential contradictions, in his attack on the Young Hegelians set down in The Holy Family. To some extent he indicates the direction which his conclusions are driving him by declaring his support for the proletariat as the agents for the emancipation of society in the introduction to the Critique of Hegel's Philosophy of Right, written after the main work itself, in the autumn of 1843:

1. Parekh's analysis of the three forms of opposition is replicated in his Marx's Theory of Ideology, Croom Helm, London, 1982, 88-90.

Where, then is the positive possibility of a German emancipation?

Answer: In the formation of a class with radical chains, a class of civil society, an estate which is the dissolution of all estates, a sphere which has a universal character by its universal suffering and claims no particular right because no particular wrong but wrong generally is perpetrated against it; which can no longer invoke a historical but only a human title; which does not stand in any one-sided antithesis to the consequences but in an all round antithesis to the premises of the German state; a sphere, finally, which cannot emancipate itself without emancipating itself from all other spheres of society which, in a word, is the complete loss of man and hence can win itself only through the complete rewinning of man. This dissolution of society as a particular estate is the proletariat.

(3 MECW 186)

The position of the proletariat as a "complete loss of man" is a theme developed in the writings on alienation in the Economic and Philosophic Manuscripts of 1844.

The passages on alienation express what man is alienated from and necessarily involve a notion of human essence. An essence may be defined as that which constitutes the distinctive nature of a thing, but in Marx's view this is not something that can assume a character independent of space and time. The essence is therefore not located in enduring urges which predispose people to certain actions and is therefore likely to be invoked to explain the impossibility of change. Rather it is located in activity itself, in the conscious production of material life, in the act of changing the world. It is therefore an historical conception of essence, and Marx is interested in the relationship between the human essence of purposive (creative) activity, which distinguishes man from animals, and the existence of man in modern society:

The animal is immediately one with its life activity. It does not distinguish itself from it. It is its life activity. Man makes his life activity itself the object of his will and of his consciousness. He has a conscious life activity ... Conscious life activity distinguishes man immediately from animal life activity. It is just because of this that he is a species being. Or it is only because he is a species being that he is a conscious being, i.e. that his own life is an object for him. Only because of that is his activity free activity. Estranged labour reverses this relationship, so that it is just because man is a conscious being that he makes his life activity, his essential being a mere means to his existence. (3 MECW 276)

This view of man's essence is vital to our understanding of his notion of essential contradiction. It is a view which he held throughout his career, and it is expressed in the first volume of Capital when he compares the operations of a spider to a weaver and a bee to an architect:

But what distinguishes the worst architect from the best of bees is that the architect builds his cell in his mind before he constructs it in wax. At the end of every labour process, a result emerges which had already been conceived by the worker at the beginning, hence already existed ideally. (I CAP 284)

Estranged labour arises with the division of labour, which proceeds apace under capitalism, and it is conceived by Marx as loss of essence, or, in its most provocative sense, de-humanisation. In the Manuscripts he speaks of man feeling himself freely active only in animal functions such as eating and drinking, while feeling little more than an animal at his work - "what is animal becomes human and what is human becomes animal" (3 MECW 274-5)

It is important to appreciate that in writing about the essence of man, Marx is not taking an individualistic perspective on the real development of human life. The "man" he speaks about in the Manuscripts and the architect in Capital are abstractions from a social world. He makes this clear in the Manuscripts when speaking of the "universality" of the "species-being", so that "the proposition that man's species-nature is estranged from him means that one man is estranged from the other, as each of them is from man's essential nature" (3 MECW 275-7). This estrangement of man from man, a manifestation of alienation, is presented as a contradiction between man's essence and his existence.

This contradiction is particularly flagrant under capitalism, since the division of labour actually entails co-operation on a grand scale, and this might appear to overcome the estrangement of man from man. However, the co-operation of capitalism is a forced co-operation. It is not the result of a free choice by the workers to improve

productive power for the benefit of the whole society. The productive power obtained through this forced co-operation appears as a creation of capital, rather than labour:

The socially productive power of labour develops as a free gift to capital whenever the workers are placed under certain conditions, and it is capital which places them under these conditions. Because this power costs capital nothing, while on the other hand it is not developed by the worker until his labour itself belongs to capital, it appears as a power which capital possesses by its nature - a productive power inherent in capital. (1 CAP 451)

In this system of "forced labour" (3 MECW 274) the worker is reduced to an "appendage of the machine" (6 MECW 490-1), as Marx and Engels express it in the Manifesto. The workers act, but not in conformity with any plan of their own creation. This is a part of the alienation of the system. In fact, co-operation in labour occurred before capitalism and will be absolutely necessary to the overcoming of alienation in post-capitalist society, in which the co-operation will be controlled by the workers themselves. The socially productive power of labour will then belong to the worker, not to capital. Co-operation is therefore necessary for the realisation of the human essence in post-capitalist society.

The view of human nature or human essence propounded above is explicitly linked with the concept of contradiction in The Holy Family, in a passage in which he acknowledges that the bourgeoisie as well as the proletariat are alienated, but with sharply different consequences:

The propertied class and the class of the proletariat present the same human self-estrangement. But the former class feels at ease and strengthened in this self-estrangement, it recognises estrangement as its own power and has in it the semblance of a human existence. The latter feels annihilated in estrangement; it sees it in its own powerlessness and the reality of an inhuman existence. It is, to use an expression of Hegel, in its abasement the indignation at that abasement, an indignation to which it is necessarily driven by the contradiction between its human nature and its condition of life, which is the outright, resolute and comprehensive negation of that nature. (4 MECW 36)

This contradiction between human nature and the conditions of human life is, for Marx, at the very heart of the capitalist system and the study of that system in bourgeois political economy.

In The Holy Family this contradiction is reiterated in his consideration of an article by Edgar Bauer on Proudhon's What is Property? Marx attacks the bourgeois political economists for regarding private property relationships as "human and rational" and operating on the premise of private property, thereby working "in permanent contradiction to its basic premise" (4 MECW 32). He compares this to the theologian who gives a human interpretation to religious concepts and in so doing comes into conflict with the "superhuman" premises of religion. Returning to political economy, he cites as an example the relationship between wages and profit. Wages appear to be a proportional share of the produce due to labour, and in theory there is a mutually stimulating relationship between wages and profit. In practice, the size of wages is determined by the compulsion of capitalists: what is theoretically a free contract is supplanted by compulsion.

He claims that political economists occasionally glimpse real contradictions, and he mentions Smith's polemics against the capitalists, De Tracy's against the money changers, Sismondi's against the factory system, and Ricardo's against landed property. But in Marx's view they are merely attacking particular forms of private property which are regarded as aberrant, rather than questioning the premises of private property itself (4 MECW 33). It is within the premises of private property that the general contradiction of the capitalist system is to be found. The purchase of labour power and production for profit delivers a system in which the human essence - creative activity - is alienated. The system is, in essence, an automatic one, it is beyond human control. This is obvious in the case of the proletarian, who is reduced to an automaton, but it is also true for the bourgeois, who is often passive, living from the labour of others, and/or is subject to the vicissitudes of the system, a "sorcerer who is no longer able to control the powers

of the nether world whom he has called up by his spells" (6 MECW 489).

Further on in The Holy Family Marx elucidates the relationship between political essence and human essence, and between the general political contradiction and the general contradiction of private productive property. He does this by considering an auto-critique by Bruno Bauer¹ in which the latter admits to failing to conceive the contradiction between theory and practice in the French representative system of the early 1790's as a general contradiction. Marx agrees that the general contradiction of constitutionalism should be recognised, and is dissatisfied with Bauer's reason for not seeing this "universal contradiction" (4 MECW 117-8) in the first place. But Marx is not content with the mere recognition of the general contradiction:

The contradiction that Criticism proved in the debates in the French Chamber was nothing but a contradiction of constitutionalism. Had Criticism grasped it as a general contradiction it would have grasped the general contradiction of constitutionalism. Had it gone still further than in its opinion it "should have" gone, had it, to be precise, gone as far as the abolition of this general contradiction, it would have proceeded correctly from constitutional monarchy to arrive at the democratic representative state, the perfected modern state. Far from having criticised the essence of political emancipation and proved its definite relation to the essence of man, it would have arrived only at the fact of political emancipation, at the fully developed modern state, that is to say, only at the point where the existence of the modern state conforms to its essence and where, therefore, not only the relative, but the absolute imperfections, those which constitute its very essence, can be observed and described.
(4 MECW 114)

Marx describes the general contradiction of constitutionalism as comprising the "contradiction between the modern representative state and the old state of privileges" (4 MECW 115), but he is determined to establish that arriving at the political essence of this contradiction is not enough. Abolition of that contradiction leads to a system of representative democracy, but this system is also contradictory, since

1. B. Bauer, 'Was ist jetzt der Gegenstand der Kritik' in Allgemeine Literatur-Zeitung, July 1844.

it allows the contradictions in society a political expression.

The abolition of political contradictions cannot, in itself, abolish the contradiction between human essence and human existence which characterises private property. He criticises Bauer firstly for being slow to understand the general political contradiction and then, more significantly, for overrating its social effects:

Herr Bauer is committing a very serious oversight when he thinks he is rising from the political to the human essence by conceiving and criticising this contradiction as a "general" one. He would thus only rise from partial political emancipation to full political emancipation, from the constitutional state to the democratic representative state.

Herr Bauer thinks that by the abolition of privilege the object of privilege is also abolished ... industrial activity is not abolished when the privileges of the trades, guilds, and corporations are abolished, but, on the contrary, real industry begins only after the abolition of these privileges. (4 MECW 115-6)

Marx sees the modern democratic state as the resolution of certain contradictions and at the same time an arena in which other contradictions of society will be displayed in the clearest possible fashion. He pleads for a generalisation of contradictions and at the same time insists that such a general constitutional contradiction can be resolved entirely within the limited sphere of politics.

The general contradiction becomes an integral part of Marx's method, but when applied to political economy the contradiction inevitably entails human essence, since conscious productive activity is the object of study for political economists as well as, for Marx, the constituent of human essence. As alienated labour is a denial of human essence, the mode of production which perfects the division of labour, and with it alienation, contains within it one general, essential, contradiction, between the creative activity essence and the autonomic¹ essence.

His earliest expression of the general contradiction of political economy is set down in the Economic and Philosophic Manuscripts in the

1. I use this term in the physiological sense of functioning involuntarily.

form of the relationship between capital and labour. Elster, one of the few scholars to devote attention to Marx's concept of contradiction, is wrong to claim that Marx does not use contradiction to describe this relationship (Elster, 1978, 65n), for he does so in such a way as to distinguish quite specifically between opposition (Gegensatz) and contradiction (Widerspruch):

The opposition between lack of property and property, so long as it is not comprehended as the opposition of labour and capital, still remains an indifferent opposition, not grasped in its active connection, in its internal relation, not yet grasped as a contradiction. It can find expression in this first form without the advanced development of private property ... It does not yet appear as having been established by private property itself. But labour, the subjective essence of private property as exclusion of property, and capital, objective labour as exclusion of labour, constitute private property as its developed state of contradiction - hence a dynamic relationship driving towards resolution. (3 MECW 293-4)

Property naturally finds its formal contradictions in lack of property, but this is not a dialectical relationship. The opposed states are not seen as mutually dependent, for they are not bound together within a particular system. The system which provides a totality within which opposites have to be regarded as a dialectical contradiction is private property in its most "advanced development", capitalism. Within this totality, the reciprocity of the contradictory elements is emphasised. Capital is created by labour, but labour itself is denied possession of its creation. Labour creates capital, but capital is independent of control or ownership by labour. Wage labour is a phenomenon peculiar to capitalism, and capitalism is impossible without wage labour. The reciprocity and opposition between wage labour and capital is emphasised in the pamphlet Wage Labour and Capital, prepared in 1847:

... capital presupposes wage labour; wage labour presupposes capital. They reciprocally condition the existence of each other; they reciprocally bring forth each other. (9 MECW 214)

... even if we remain within the relation of capital and wage labour, the interest of capital and the interests of wage labour are diametrically opposed. (9 MECW 220)

Marx makes it quite clear in the Economic and Philosophic Manuscripts that the contradiction between capital and labour is an essential one. It is particularly evident in his critical comments concerning classical political economy, in which he notes that although labour is considered to be the "sole essence of wealth", the implications of capitalist theory are "anti-human in character" (3 MECW 291). He maintains that writers such as Ricardo and James Mill appear more cynical than Adam Smith merely because they come closer to acknowledging the contradictions of the system. Marx generalises these contradictions in terms of essentiality:

Because they make private property in its active form the subject, thus simultaneously turning man into the essence - and at the same time turning man as non-essentiality into the essence - the contradiction of reality corresponds completely to the contradictory being which they accept as their principle. Far from refuting it, the ruptured world of industry confirms their self-ruptured principle. Their principle is, after all, the principle of this rupture. (3 MECW 291-2)

The contradiction is found in the premise of their studies and is a reflection of the contradiction of capitalist reality. The system - and its theory - has man as its essence, but it is de-humanised, alienated man. Marx is anxious to stress the primacy of alienation, so much so that it is described as the cause of private property rather than its effect, although he concedes that "later this relationship becomes reciprocal" (3 MECW 279-80). Later in the Manuscripts he reaffirms his view of the general contradiction in the science of political economy:

Division of labour and exchange are the two phenomena which lead the political economist to boast of the social character of his science, while in the same breath he gives unconscious expression to the contradiction in his science - the motivation of society by unsocial, particular interests. (3 MECW 321)

The "resolution" of the general contradiction between capital and wage labour is a "very rough and protracted process" (3 MECW 313) of communist action necessary to abolish private productive property. Marx considers the development of this movement to be an inevitable

response to the development of capitalism itself - "history will lead to it" - and he indicates that in the process of political combination the communist workers go some way to recovering their social essence, making the "brotherhood of man" a "fact of life" (3 MECW 313). At this stage Marx used "resolution" in a broad sense, covering three possibilities:

1. The abolition of the general contradiction;
2. The pro tempore answer to particular contradictions necessary to allow the system to function and develop;
3. Violent correctives to the system (crises).

These last two types of resolution do not constitute an abolition of the general contradiction. Later, in the first volume of Capital, he makes the distinction between the abolition (Abschaffung) and the resolution (Auflösung) of contradictions. The former is reserved for the overcoming of the general contradiction involving mutually exclusive essences. The latter is used for the pro tempore overcoming of particular contradictions which are preserved and developed in the moving system of capitalist production and circulation, in conjunction with other particular contradictions (1 CAP 198).

The expression of the general contradiction of capitalism in the Manuscripts is important because it demonstrates that at the same time as Marx is concerned with the alienation of human essence he is also concerned with the dialectical contradiction between capital and labour. The philosophical and socio-economic perspectives appear in the same work. From this point on the philosophical perspective appears less prominently, but is nevertheless implicit in the expressions of contradiction which occur in his later writings. As I will show in chapter four, the Grundrisse and the first volume of Capital (particularly the first chapter) testify to the persistence of these philosophical themes, and resist attempts to separate Marx the philosopher from Marx the scientist.¹

1. Colletti makes this separation, which I return to in the conclusion to this thesis (Colletti, 1975, 27; see below, 165).

Marx makes an important advance in formulating the general contradiction of capitalism in *The German Ideology*. Here he relates it to a general contradiction not specific to any mode of production which Marx considers to be the key to understanding historical change in general. Dividing history into epochs denoted by distinct "forms of property" (5 MECW 32), he distinguishes between tribal, ancient, and feudal forms (5 MECW 32-5) and, developing out of the feudal form, three stages in the development of capitalism, the first corresponding to the rise of a separate merchant class and the growth of manufacturers beyond the old guild system (5 MECW 66-70), the second corresponding to the growth of protected commerce (5 MECW 70-2), and then the emergence of "large scale industry" (5 MECW 72-4). After completing his outline of the development of the distinctive forms of property he faces the problem of explaining the transformation of one form of property into a qualitatively different form:

The contradiction between the productive forces and the form of intercourse, which, as we saw, has occurred several times in past history, without, however, endangering its basis, necessarily on each occasion burst out in a revolution, taking on at the same time various subsidiary forms, such as all-embracing collisions, collisions of various classes, contradictions of consciousness, battle of ideas, political struggle, etc. From a narrow point of view one may isolate one of these subsidiary forms and consider it as the basis of these revolutions: and this is all the more easy as the individuals who started the revolutions had illusions about their own activity according to their degree of culture and the stage of historical development. Thus all collisions in history have their origin, according to our view, in the contradiction between the productive forces and the form of intercourse. Incidentally, to lead to collisions in a country, this contradiction need not necessarily have reached its extreme limit in that particular country. The competition with industrially more advanced countries, brought about by the expansion of international intercourse, is sufficient to produce a similar contradiction in countries with a less advanced industry. (5 MECW 74-5)

These two paragraphs represent a tremendously important development in Marx's method. The developmental contradiction is held to be the key to explaining all revolutionary changes. Historically, the contradiction

has never destroyed its basis, i.e. private productive property, which is why the general contradiction of capitalism is so different from the developmental contradiction of preceding epochs. His description of the "subsidiary" forms of revolution having their origin in the general contradiction of the economic system is a clear statement of what Engels was to call the "materialist conception of history" (1 MESW 368) and what Marx himself describes as the "guiding thread" (MESW 181) of his studies. It also shows that Marx considers the various non-economic, ideological forms in which revolutionary struggles are often conducted to be illusory, a view of ideology which he held throughout his writings. The final two sentences are noteworthy for the sensitivity to the international economic dimension which they display, allowing for the possibility of revolution in less advanced countries.

In previous epochs the developmental contradiction had led to social revolutions without abolishing private property itself. Only the form of private property had been changed. But the developmental contradiction operating in the capitalist mode of production can lead to such an abolition. However, the contradiction is not present at the inception of the mode of production, but only at the stage of "highly developed ... large scale industry" (5 MECW 63-4). At the inception of the capitalist mode of production the general contradiction of the feudal mode of production would still be in the process of working itself out.

At one point in The German Ideology Marx reverts to the style of the 1844 Manuscripts when formulating the idea that the emergence and abolition of the general contradiction of capitalism can only occur at an advanced level of development. He talks about the possibility of abolishing "estrangement", but discloses his discomfort with the term by commenting that this "will be comprehensible to the philosophers" (5 MECW 48). This reveals a change of perspective and the extent to which he is anxious to distance himself from the world of contemplative philosophy, but it also reveals that the alienation theme is still present. Increasingly, from 1846, estrangement or alienation is

immanent in his analyses of economic relationships, although the terms are used throughout the Grundrisse and in several passages in Capital.

I have used "developmental" to describe the contradiction between the productive forces and the "form of intercourse" in order to capture the idea of movement. The contradiction is re-formulated in the 1859 Preface to A Contribution to the Critique of Political Economy:

In the social production of their existence, men inevitably enter into definite relations which are independent of their will, namely, relations of production appropriate to a given stage in the development of their material forces of production. The totality of these relations of production constitutes the economic structure of society, the real base, on which arises a legal and political superstructure and to which correspond definite forms of social consciousness. (CCPE 20)

Marx goes on to make it clear that "relations of production" is simply another term for property relations (CCPE 21), or "forms of intercourse," as he had expressed it in 1846. Godelier claims that this contradiction is "fundamental" or "basic" (Godelier, 1973, 356 and 351), and qualitatively different to the capital-labour contradiction; he also argues that "Marx's dialectic has nothing to do with Hegel's, because they do not depend on the same notion of contradiction" (Godelier, 1973, 335).

Godelier's article stresses the importance of the concept of structure, which he defines (following Lévi-Strauss) as "a level of reality invisible but present behind the visible social relations" (Godelier, 1973, 336). An understanding of these structures renders all the visible facts intelligible. Godelier maintains that the contradiction between capital and labour is a contradiction within one structure, the capitalist relations of production, and is present from the inception of those relations. The contradiction between the forces of production and the relations of production is a contradiction between two structures; it is not present at the inception of the capitalist system but emerges at a certain stage in the development of that system (Godelier, 1973, 350-2). The contradiction between capital and labour does not "contain within itself

the set of conditions for its solution" (Godelier, 1973, 356), but the contradiction between the forces of production and the relations of production does, for the relations of production are in "non-correspondence" with the forces of production and demand a solution, i.e. socialist relations of production (Godelier, 1973, 353-4).

Godelier then proceeds to claim that Marx's demonstration of the necessity of a new mode of production through the analysis of the contradictions of the capitalist system means that "Marx has nothing more to do with the young Marx" (Godelier, 1973, 355). The judgment that the new mode of production is necessary and superior no longer relies on "morality" or "ethical principles" but on a scientific basis:

The necessity for the appearance of a new mode of production no longer derives from a teleology concealed in the mysteries of the essence of man as revealed to the philosopher alone, be he materialist or idealist, for it is no longer possible to read into the historically determined contradiction of capitalist relations of production with a determined level of the productive forces the philosophical drama of the revolt of the 'true essence' of man against the 'dehumanised existence' imposed on the workers by the bourgeoisie. (Godelier, 1973, 354-5).

Godelier's argument therefore supports Althusser's view that the young Marx is dominated by ideological concerns and the mature Marx achieves scientific thoroughness. However, unlike Althusser, Godelier fixes no date for this alleged rupture.

Having disposed of the young Marx on the grounds of scientificity, Godelier proceeds to diminish the Marx-Hegel connection on the grounds that they hold totally different conceptions of contradiction. The Hegelian device of the identity of opposites enables him to find an "internal solution to the internal contradictions of a structure" (Godelier, 1973, 357), and in this way produce a coherent system of absolute knowledge, a system which is, of course, thoroughly idealistic. Marx's contradictions - both within and between structures - are not reducible to one another (the defining quality of the identity of opposites), and therefore Marx can not accept any notion of the

identity of opposites (Godelier, 1973, 357).

There are two separate arguments here. As the difference between Marx's contradictions has no bearing on their relationship to the Hegelian contradiction, this argument can stand separately. The criticism of Hegel's mediations, or "internal solutions", was conducted by Marx in his Critique of Hegel's Philosophy of Right. As we have seen, it is in this work that Marx introduces the concept of essential contradiction, which had been lacking in Hegel. From this breakthrough Marx goes on to formulate his capital-labour contradiction (in 1844) and his forces of production - relations of production contradiction (1846). Reverting to Godelier's first argument, it is impossible to sustain the view that "Marx has nothing more to do with the young Marx", since the basis for the contradictions which define the mature Marx is present in 1843.

As regards the first argument, there is one specific criticism and one more general (and fundamental) criticism which can be levelled against Godelier. The specific criticism concerns his claim that the contradiction between capital and labour is internal to the structure of capitalist relations of production and is present at the inception of that structure. Marx denies that capital and labour are in a contradictory relationship from the beginning. In the Economic and Philosophic Manuscripts he points to three stages through which the relationship has to pass. The first is the "mediated or unmediated unity of the two"; the second is mutually exclusive opposition between the two; and the third is the opposition "of each to itself" i.e. within capital between interest and profit, within labour between labour itself and the wages of labour. Only in the third stage is there a "clash of mutual contradictions" - a dialectical contradiction (3 MECW 289).

The more general criticism centres on the notion of structure. He does not explain what constitutes a structure and what does not. In the 1859 Preface Marx refers to the totality of the relations of production as the economic structure, but nowhere does he speak of the forces of

production as a structure. Indeed, using the Lévi-Strauss definition of structure which Godelier adopts, the forces of production do not seem to constitute a structure. A more accurate and fertile location of all of Marx's contradictions would be to locate them within the mode of production, or the capitalist system in its widest sense. Godelier uses the word "system" but fails to distinguish it from the structure. As structure and the relations between structures presents us with the basis of scientificity in Godelier's view, his failure to define precisely what he means or to provide an adequate explanation of why Marx did not use the word structure is a considerable weakness.

The distinction between the two kinds of contradiction which Godelier mentions becomes less clearcut when the mysterious nature of structure is questioned. I have termed the two types of contradictions different expressions of the general contradiction of capitalism because it is the essential nature of this general contradiction which is important. It is qualitatively different from Hegel's contradictions, which Marx termed "existential" and "illusory" in 1843, and also from the contradictions of formal logic adhered to by Kant and termed by Marx "flat" contradictions. However, the developmental contradiction between the forces of production and the relations of production is a superior expression of the general contradiction of capitalism. As Godelier remarks, it emphasises the unintentionality of the contradictory nature of the system (Godelier, 1973, 353), and this becomes particularly clear in Marx's work on crises and the falling rate of profit. It also counters the temptation to personalise the contradictory nature of the system, a danger which Marx acknowledges in the Preface to A Contribution to the Critique of Political Economy when he states that capitalism is the last antagonistic form of the social process of production, "antagonistic not in the sense of individual antagonism but of an antagonism that emanates from the individuals' social conditions of existence" (CCPE 21).

Two further objections stem from Godelier's structuralism. As

the necessity of socialism appears as a purely objective necessity, there appears no place for man to intervene in the process. Godelier's argument is economistic, and Rubin is right to point out that his "necessitarian view of historical materialism must tend to encourage political passivity."¹ The second objection concerns Godelier's dismissal of the significance of Marx's early work on the human essence. He fails to see that Marx's consideration of essence helps him to establish the incompatibility between capital and labour - a step which others (e.g. Robert Owen) had been unable to take - and also to give a production-orientated social analysis of the position of classes in industrial society. These are decisive advances towards a fuller, scientific analysis of the capitalist system. Godelier is wrong when he suggests that they offer an easy, moral, justification for the necessity of socialism, for if that was Marx's intention he would not have developed beyond the formulations of the Introduction to the Critique of Hegel's Philosophy of Right. The developmental contradiction of The German Ideology does not appear as a bolt out of the blue; as I have shown, it emerges logically from the work of the previous three years.. It should be added that all arguments drawing a rigid distinction between the young and the mature Marx run into great difficulty when faced with the persistence of the alienation motif both in the Grundrisse and Capital.

The German Ideology presents a tremendously important advance in the development of Marx's method. It represents the fusion of two dimensions. The first is the one which this chapter has been chiefly concerned with, namely the development of his concept of contradiction as a technique to help to pinpoint what should be examined in order to achieve an understanding of society as a whole, and to help make such an examination fruitful. Marx finally settles accounts with his predecessors and contemporaries in the German philosophical tradition and immediately embarks on work in political economy with The Poverty of

1. David H. Ruben, 'Godelier's Marxism' in 1 Critique, Spring, 1973, 57.

Philosophy, a criticism of Proudhon's economic writings published in 1847. The second dimension is the wider view of historical development, emphasising the dominant role of economic factors and assigning such things as ideological and political struggles a "subsidiary" role (5 MECW 74). The fusion of the two dimensions gives us Marx's materialist dialectic, a theoretical framework which was to guide him in his work in political economy and politics.

CHAPTER THREE

THE EIGHTEENTH BRUMAIRE OF LOUIS BONAPARTE

The emergence of Marx's idea of the general contradiction of capitalism between 1844 and 1846 provides a basis for his unfinished analysis of the capitalist mode of production. Any attempt to assess the significance of the concept of contradiction in Marx's work as a whole must obviously involve an examination of his political economy, but it should not be forgotten that a considerable part of Marx's output is concerned with political struggles of various sorts throughout the world. The Eighteenth Brumaire of Louis Bonaparte deals with political events in France from the February revolution of 1848 to Louis Napoleon Bonaparte's coup d'etat in December 1851, and represents one of Marx's most sustained political analyses. Marx investigates the complexity of rivalries and alliances in a well defined set of events - the history of the Second Republic - and in doing so demonstrates the significance of the concept of contradiction for Marx the political analyst.

In The Holy Family Marx had been critical of Bruno Bauer's handling of the contradictions which he had perceived in the debates in the French Chamber in 1793. He had criticised Bauer for confusing the "political essence" with the "human essence" when writing about the contradiction between the constitutional state (limited franchise) and the modern representative state (universal male franchise) (4 MECW 115; see above 50). Marx had considered that the resolution of that contradiction in favour of the modern representative state in no way resolved the contradiction involving the human essence - this had to be resolved in the economic sphere through the abolition of private productive property - but merely cleared the way for other social contradictions to find their political expression. It is precisely this process

which is analysed in the Brumaire, for the advent of a democratic revolution releases forces whose mutual antagonisms lead to political paralysis and invite a seizure of power by a dictator purporting to stand above those forces.¹

The Brumaire also enlarges on the relationship between political struggles and the economic situation which Marx had set down in The German Ideology, and for this reason Engels describes it as a "most excellent example" of the application of what he terms "the materialist conception of history."² In The German Ideology "political struggles" had been designated a "subsidiary form" of revolution, the real "originator" of historical collisions being found in the contradiction between "productive forces and the form of intercourse" (5 MECW 74-5, see above 55). "Collisions of various classes" had also been designated a "subsidiary form" in The German Ideology, but in the preface to the 1869 edition of the Brumaire Marx states that the aim of the work is to show that "the class struggles in France created circumstances and conditions which allowed a mediocre and grotesque individual to play the hero's role." (1 MESW 244). It would appear that Marx is attempting to explain one subsidiary form by reference to another subsidiary form. However, it is clear from the Brumaire and also from the 1848 Manifesto of the Communist Party that Marx considers class struggles as the most lucid expression of contradictions within the economic structure; they form a bridge between the base and super-structure, in the terms of his 1859 metaphor.

Marx divides the life of the second French republic into three periods. The first represents the early days of the revolution, the

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1. Gramsci describes this phenomenon as "caesarism" i.e. "a situation in which the forces in conflict balance each other in a catastrophic manner, that is to say, they balance each other in such a way that a continuation of the conflict can only terminate in their reciprocal destruction." Selections from the Prison Notebooks, edd. G.N. Smith & Q. Hoare, Lawrence & Wishart, London, 1971, 219.
 2. Letter to Bloch, 21 September, 1890 (MESC 396). Engels had first used the phrase "materialist conception of history" in his 1859 review of Marx's A Contribution to the Critique of Political Economy (1 MESW 368).

second is the lifetime of the Constituent Assembly, and the third is the lifetime of the Legislative National Assembly until its dissolution by Bonaparte. He epitomises the third period as one riddled with contradictions:

The period that we have before us comprises the most motley mixture of crying contradictions: constitution-
alists who conspire openly against the Constitution; revolutionists who are confessedly constitutional; a National Assembly that wants to be omnipotent and always remains parliamentary; a Montagne who finds its vocation in patience and counters its present defeats by prophesying future victories; royalists who form the patres conscripti of the republic and are forced by the situation to keep the hostile royal houses, to which they adhere, abroad, and the republic, which they hate, in France; an executive power that finds its strength in its very weakness and its respectability in the contempt that it calls forth; a republic that is nothing but the combined infamy of two monarchies, the Restoration and the July monarchy, with an imperial label - alliances whose first proviso is separation; struggles whose first law is indecision; wild, inane agitation in the name of tranquility; most solemn preaching of tranquility in the name of revolution; passions without truth, truths without passion; heroes without heroic deeds, history without events; development, whose sole driving force seems to be the calendar, made wearisome through constant repetition of the same tensions and relaxations; antagonisms that periodically seem to work themselves up to a climax only to lose their sharpness and fall away without being able to resolve themselves; pretentiously paraded exertions and philistine terror at the danger of the world coming to an end, and at the same time the pettiest intrigues and court comedies played by the world redeemers, who in their *laissez-aller* remind us less of the Day of Judgment than of the times of the Fronde - the official collective genius of France brought to naught by the artful stupidity of a single individual; the collective will of the nation, as often as it speaks through universal suffrage, seeking its appropriate expression through the inveterate enemies of the interests of the masses, until at length it finds it in the self-will of a freebooter. (11 MECW 124-5).

Despite occasionally lapsing into rhetoric which obscures its object, e.g. "passions without truth, truths without passion," he is concerned to set down particular contradictions which are subsumed within a general political contradiction embodied in the Constitution. As he had indicated in The Holy Family, the emergence of the modern representative state permits an open struggle between representatives of competing classes without offering a solution to those struggles.

This promise of freedom and its lack of fulfilment is actually

embodied in the constitution of 1848, according to Marx:

... each paragraph of the constitution contains its own antithesis, its own Upper and Lower House, namely, freedom in the general phrase, abrogation of freedom in the marginal note. Thus, so long as the name of freedom was respected and only its actual realisation prevented, of course in a legal way, the constitutional existence of freedom remains intact, inviolate, however mortal the blows dealt to its existence in actual life. (11 MECW 115)

In other words, the freedoms gained by the February revolution received expression as absolute rights in the constitution, but they were qualified by reference to the equal rights of others, public order, or laws mediating between rights which might appear incompatible. Marx gives a few examples of this. The rights of association, petition, and expression are granted, provided they do not endanger the equal rights of others or public safety; free education is granted, on conditions fixed by the law; the home is made inviolable, except if the law states otherwise (11 MECW 114-5).

Marx considers that the gravest weakness is the division of power between a directly elected President - Louis Bonaparte was elected on 10 December 1848 - and the Legislative Assembly. In creating such a powerful Presidency while preserving the legal power to remove him, the constitution "not only sanctifies the division of power ... it widens it into an intolerable contradiction" (11 MECW 115-6). This contradiction is eventually resolved by Bonaparte's usurpation, but before examining that, many of the long list of "crying" contradictions can be understood by examining firstly, the role of the proletariat, and secondly, the role of the bourgeoisie.

When the Legislative Assembly convened, the proletariat had already been crushed as an independent political force, but its activists had made an alliance with representatives of the petty-bourgeoisie and sought election on this basis. Hence Marx's allusion to "revolutionists who are confessedly constitutional" and a "Montagne that finds its vocation in patience and counters its present defeats by prophesying future

victories." In the government formed immediately after the February revolution the proletariat had two representatives, Blanc and Albert. Other leaders of the anarchist or socialist proletarian revolutionaries outside the government included Raspail, Blanqui, Cabet, and Barbès. They organised in clubs like Barbès's Club de la Révolution and Blanqui's Société Républicaine Centrale, and their most popular newspaper was the Ami Du Peuple.¹ The aspirations of these groups were not shared by the majority of the elected Constituent Assembly which met at the beginning of May, and on May 15 they attempted to form a revolutionary government. The failure of this attempt resulted in the arrest or flight of the leaders of the revolutionary proletariat, but despite this the social revolutionaries staged an insurrection the following month. This "first great battle" between the bourgeoisie and the proletariat, as Marx terms it in the Class Struggles in France (1850), resulted in the bloody suppression of the proletarian forces. Marx estimates that more than 3,000 insurgents were executed and 15,000 deported, a defeat which meant that "the proletariat recedes into the background of the revolutionary stage" (11 MECW 110). The insurrection was defeated by an alliance of "all classes and parties ... in the Party of Order" (11 MECW 111), an alliance itself fraught with contradictions which will be explored presently. The remnants of the proletarian forces later formed an alliance with the democratic republicans, whom Marx describes as representatives of the petty-bourgeoisie, in February 1849. The alliance is termed by Marx "Social Democracy", represented in the Assembly by the Montagne. Despite the arrest of some of its members in a protest in June 1849, they were electorally popular at by-elections in Paris and elsewhere in March 1850, and the possibility of them achieving a majority in the Assembly caused the Party of Order to rescind universal male suffrage in May 1850.

1. Analyses of grass-roots political activity in Paris in 1848 are contained in articles by Peter Amman and Roger Price in Revolution and Reaction - 1848 and the Second French Republic, ed. R. Price, Croom Helm, London, 1975.

Marx sees the failure of the revolutionary proletariat as the manifestation of a contradiction between their aims and what was actually realisable, given their limited strength and experience:

Having secured its arms in hand, the proletariat impressed its stamp upon it and proclaimed it to be a social republic. There was thus indicated the general content of the modern revolution, a content which was in most singular contradiction to everything that, with the material available, with the degree of education attained by the masses, under the given circumstances and relations, could be immediately realised in practice. (11 MECW 109)

At this point in history there were no more than five million industrial workers out of a total population of approximately 36 million, and no more than 1,300,000 worked in large scale industries.¹ It is apparent that in 1852 Marx considers that a successful proletarian revolution is only possible when the bourgeois mode of production has reached a certain maturity, just as he had done in 1846. In the 1859 Preface to A Contribution to the Critique of Political Economy he reiterates this point:

No social order is ever destroyed before all the productive forces for which it is sufficient have been developed, and new superior relations of production never replace older ones before the material conditions for their existence have matured within the framework of the old society. Mankind thus inevitably sets itself only such tasks as it is able to solve, since closer examination will always show that the problem arises only when the material conditions for its solution are already present or at least in the course of formation. (CCPE 21)

This formulation is still frustratingly elusive as to what a "developed" or "matured" condition might look like, but it does constitute a considerable change in Marx's perspectives on social revolution. Engels identifies this change as occurring in 1850 in his 1895 introduction to The Class Struggles in France, in which he talks of a "break once and for

1. A.L. Dunham, The Industrial Revolution in France, 1815-1848, Exposition Press, New York, 1955, 179-80 and 433.

all with these illusions" of imminent social revolution (1 MESW 120).¹ The old perspective is typified by the Manifesto and the March 1850 Address of the Central Committee to the Communist League, both written in conjunction with Engels. In the Manifesto the conviction is that "the bourgeois revolution in Germany will be but the prelude to an immediately following proletarian revolution" (6 MECW 519). In the March Address the imminent direct victory of the French proletariat is predicted, and the German workers are exhorted to adopt the slogan of "the revolution in permanence" (10 MECW 287).²

This notion of imminent social revolution is inconsistent with the views expressed in The German Ideology, in which he states that private property can be abolished only when a highly developed stage of large scale industry has been reached (5 MECW 63-4). France, with such a small proletariat, hardly fits this criterion, and Germany certainly does not. The "new" perspective announced in the following passage from The Class Struggles is really a reversion to the 1846 formula:

While this general prosperity lasts, enabling the productive forces of bourgeois society to develop to the full extent possible within the bourgeois system, there can be no question of a real revolution. Such a revolution is only possible at a time when two factors come into conflict: the modern productive forces and the bourgeois forms of production..... A new revolution is only possible as a result of a new crisis; but it will come, just as surely as the crisis itself. (MSE 131).

Interestingly, Engels ascribes this change of heart to Marx's renewed economic studies from the spring of 1850 onwards (1 MESW 120), although,

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1. Fernbach talks of a "substantial change of perspective" during the summer of 1850 (Fernbach, 1973, 57).
 2. The "permanent revolution" formula also occurs in the third part of The Class Struggles in France (10 MECW 127). Draper locates the change in perspective as occurring after this and before the fourth part - H. Draper, Karl Marx's Theory of Revolution, volume two, Monthly Review Press, New York, 1978, 250-1.

as will be shown later, Marx still did not grasp the nature and periodisation of economic crises at this point. The new perspective on revolution is a reaffirmation of the central importance of the general developmental contradiction of the capitalist system. The last of the four articles comprising the Class Struggles, in which the new perspective occurs, was written after Marx had resumed his economic studies, and Engels regards the historical work which Marx put into the Brumaire as an "even more severe" test of the veracity of the interpretation of the revolutionary events first undertaken in the 1850 work (1 MESW 121).

The prime importance of the general contradiction of capitalism in the development of a revolutionary perspective also plays a part in his examination of the role of the proletariat in its alliance with the petty-bourgeoisie. Although Marx had been optimistic of renewed proletarian revolution until at least March 1850, this is not evident from reading the Brumaire, in which he considers that the proletariat recedes into the "background" after the defeat in June 1848. He is dismissive of the Social-Democratic alliance, claiming that it had "broken off" the "revolutionary point" from the "social demands of the proletariat" and had given them a "democratic twist" (11 MECW 130), hence his contradiction of "revolutionists who are confessedly constitutional." He castigates the Montagne for its vacillating behaviour in June 1849, when part of it signed a proclamation declaring Bonaparte and his ministers to be extra-constitutional after an attempted impeachment had fallen in the Assembly. The majority of the Montagne did not sign the proclamation or support the call to arms, and the protest misfired, causing Marx to comment that they "assuredly ... believe in the trumpets before whose blasts the walls of Jericho fell down" (11 MECW 132). Ledru-Rollin, one of the leaders who fled abroad, formed a government in exile, while those who remained concentrated on parliamentary tactics, hence "a Montagne that finds its vocation in patience and counters its present defeats by prophesying future victories" (11 MECW 124).

Marx considers that social-democracy is self-contradictory. It

does not recognise the general contradiction of the capitalist system as expressed in the two extremes of capital and wage-labour. Instead it considers that capital and wage-labour can be harmonised by gaining ascendancy in the "democratic-republican institutions" (11 MECW 130). As such, they are pursuing a chimera, and their stance blinds them to the reality of the class struggle:

..... the democrat, because he represents the petty bourgeoisie, that is, a transition class, in which the interests of two classes are simultaneously mutually blunted, imagines himself elevated above class antagonisms generally. The democrats concede that a privileged class confronts them, but they, along with all the rest of the nation, form the people Accordingly, when a struggle is impending, they do not need to examine the interests and positions of the different classes. (11 MECW 133).

This notion of self-delusion is essential to Marx's view of ideology, as will become evident when the contradictions surrounding the bourgeoisie are examined.

Marx's analysis of the bourgeoisie reveals his conviction that parties were representative not just of class in its most general sense, but of sub-divisions within a class, representing in turn distinct economic interests. Hindess has questioned this relationship in respect of Marx's treatment of the bourgeois (or pure) republicans and the two royalist factions which between them represented the bourgeoisie. The republican opposition during the reign of King Louis Philippe, or the bourgeois section of it which formed around Le National, is described by Marx:

It was not a faction of the bourgeoisie held together by great common interests and marked off by specific conditions of production. It was a clique of republican-minded bourgeois, writers, lawyers, officers and officials that owed its influence to the personal antipathies of the country against Louis Philippe, to memories of the old republic, to the republican faith of number of enthusiasts, above all, however, to French nationalism, whose hatred of the Vienna treaties and of the alliance with England it always kept awake. (11 MECW 112-3).

Here the political position of the pure republicans is not defined in terms of their relationship to the economic structure. This contrasts

with his comments on the differences between the two royalist factions, which he maintains are caused by the different economic forces they represent, land and capital (mostly finance capital), rather than by the dynastic rivalries which were most frequently expressed. For Hindess these descriptions are flatly contradictory:

If political forces are not reducible to effects of the structure of the economy then "two different kinds of property" cannot account for what kept the Royalist factions apart. Alternatively, if political forces are reducible to the effects of different forms of property then Marx has no business treating the republican faction of the bourgeoisie as a distinct and real political force.¹

The implications for Marx's view of history are serious, for if he accepts the notion of political or ideological autonomy, as it might appear in relation to the bourgeois republicans, then the base-superstructure metaphor, quintessential to his conception of history, is flawed. It means that the powerful claims which Marx makes for the contradiction between the forces of production and the relations of production are invalid. And as this is the very heart of Marx's method, the question needs to be resolved.

It is as well to recapitulate what Marx had said about the relationship between the economic structure and political struggles, about the nature of class struggles as they affected the bourgeoisie, and about the relationship between politicians and the class they are alleged to represent, both generally and particularly in relation to the bourgeoisie in the period under discussion. In The German Ideology Marx had stated that the contradiction between the productive forces and the "form of intercourse" (in the Manifesto this becomes "relations of property" (6 MECW 489) is the real originator of revolution or historical "collisions" (5 MECW 74-5). The dominance of economic factors is thus stressed, and the tensions within the economic structure are

1. B. Hindess, 'Classes and Politics in Marxist Theory' in G. Littlejohn, ed., Power and The State, Croom Helm, London, 1978, 74.

manifested by class struggles. This is emphasised in the Manifesto, but it is clear that the class struggles are complex. For instance, the bourgeoisie finds itself "involved in a constant battle," first with the aristocracy, then with sections of the bourgeoisie "whose interests have become antagonistic to the progress of industry," and constantly "with the bourgeoisie of foreign countries" (6 MECW 493). Then, of course, there is the conflict with the proletariat. All these struggles are found in the Brumaire.

Although Marx describes the bourgeois republicans in terms of nationalism and antipathy to the monarchy - ostensibly ideological forms - they also have an economic character, being formulated in terms of the national interest, i.e. against the foreign bourgeoisie, and in terms of opposition to the monarchy, i.e. a vestige of the old struggle with the aristocracy.

As regards the relationship between the politicians and the class they are alleged to represent, Marx devotes a passage of the Brumaire to this question. He considers it "narrow-minded" to consider that politicians will be solely concerned with enforcing an "egoistic class interest," or that they will be identical in occupation or education to the class they represent. But they do represent that class because mentally they are unable to proceed beyond the limits which the class is faced with in practice (11 MECW 130+1). In other words, bourgeois republicans may desire a democratic republic, but if that endangers the basis of bourgeois existence, i.e. private productive property, then either the principles or the politicians will be removed. Some of the bourgeois republicans are described by Marx in The Class Struggles as "ideological representatives and spokesmen" or "scholars, lawyers, doctors, etc." (10 MECW 49), while others were actually industrialists, such as Victor Grandin, one of the leading opponents of the Orleanist regime (10 MECW 48). In the Brumaire Marx makes it clear that these republicans are members of the bourgeoisie, for the conditions of their prosperity are bound up with the interests of the industrialists - and

indeed all elements of the bourgeoisie united by the bond of private property (11 MECW 112).

With these factors in mind the Hindess "contradiction" can now be resolved. He compares two statements which attempt to do different things under different circumstances. Marx's description of the bourgeois republicans relates to their period in opposition before the revolution, when their actions were confined to agitation and their agitation could take on an ideological form without being tested. His description of the royalist factions relates to the period after May 1849 when these two factions formed the Party of Order, the dominant group in the National Assembly, during a revolutionary situation.

Marx remains consistent in his view - later expressed in relation to the royalist factions - that principles derived from non-economic considerations are illusory and will ultimately either be sacrificed or subordinated to material interests. The material interests of the pure republicans centred on the widening of the politically privileged elite (11 MECW 109), giving them access to power. The material interests of the industrial bourgeoisie would benefit from this dilution of the political power of the finance bourgeoisie.¹ Even before the revolution the pure republicans allegedly contemplated sacrificing their defining principle, republicanism; Marx claims that they were "on the point of making do initially with a regency of the Duchess of Orleans when the revolution broke out and assigned their best representatives a place in the Provisional Government" (11 MECW 113). In the June days of 1848 the pure republicans allied with the monarchists and the petty bourgeois democrats to crush the proletariat and thereby eradicate the threat to all forms of private

1. Support for this interpretation of the location of power under Louis Philipps comes from Stendhal, who is quoted by Zeldin as saying that "the bankers are at the heart of the state. The bourgeoisie has replaced the Faubourg St Germain and the bankers are the nobility of the bourgeois class" (Zeldin, 1973, 77)

property.¹ The pure republicans were then dominant for a few months, during which they severely restricted freedom of the press, freedom of association and freedom of speech in order to mure socialist propaganda. Marx emphasises the irony of their position during the second republic; they conjure up the slogans of reaction to defeat the proletariat - "property, family, religion, order" - and are eventually swept away by Bonapartists using exactly the same slogans against them.

With their principles demonstrated to be superfluous, the pure republicans slide into decline, are soundly defeated at the election in May 1849, and find themselves "shipwrecked" (11 MECW 126). After this election the majority in the National Assembly is not republican at all but comprises an uneasy alliance between the two royalist factions. This alliance is sustained only by the fear of all sections of the bourgeoisie, the fear of anarchy or socialism. It is a defensive unity which cannot function politically due to its antithetical strands, landed property and capital, and the resulting hiatus enables Louis Bonaparte to destroy the republic. These events, and Marx's interpretation of them, are consonant with the conception of history set down in The German Ideology and in the 1859 Preface. Hindess falls into a double error, first, by being ahistorical, second, by imputing a crude reductionism to Marx which neither exists nor is necessary to sustain the base-superstructure distinction.

Turning to the financial and landed bourgeoisie, the most glaring of the crying contradictions are displayed; "royalists who form the patres conscripti of the republic and are forced by the situation to keep the royal houses, to which they adhere, abroad, and the republic, which

1. De Tocqueville describes this melting away of difference - "all former political hatred and rivalry of caste or fortune had disappeared from view.. Property had become, with all those who owned it, a sort of band of fraternity." Recollections, ed. J.P. Mayer, Harvill Press, London, 1948, 99. See also J. Merriman, The Agony of the Republic: The Repression of the Left in Revolutionary France, 1848-1851, Yale University Press, New Haven, 1978, 23.

they hate, in France; ... a republic that is nothing but the combined infamy of two monarchies, the Restoration and the July monarchy, with an imperial label" (11 MECW 124-5). In describing why these two parties could not settle their differences and unite in a workable coalition, Marx dismisses their ideological differences and introduces the notion of superstructure:

Was what held these factions fast to their pretenders and kept them apart from one another nothing but lily and tricolour, the House of Bourbon and House of Orleans, different shades of royalism, was it their royalist faith at all? Under the Bourbons, big landed property had governed, with its priests and lackeys; under the Orleans, high finance, large-scale industry, large-scale trade, that is, capital, with its retinue of lawyers, professors and smooth-tongued operators. The Legitimate monarchy was merely the political expression of the hereditary rule of the lords of the soil, as the July monarchy was only the political expression of the usurped rule of the bourgeois parvenus. What kept the two factions apart, therefore, was not any so-called principles, it was their material conditions of existence, two different kinds of property, it was the old contrast between capital and landed property. That at the same time old memories, personal enmities, fears and hopes, prejudices and illusions, sympathies and antipathies, convictions, articles of faith and principles bound them to one or the other royal house, who is there that denies this? Upon the different forms of property, upon the social conditions of existence, rises an entire superstructure of different and distinctly formed sentiments, illusions, modes of thought and views of life. The entire class creates and forms them out of its material foundations and out of the corresponding social relations. (11 MECW 127-8)

Marx goes on to justify his description of this split as being between two sections of the bourgeoisie, rather than between the bourgeoisie and the aristocracy, by saying that large landed property "has been rendered thoroughly bourgeois by the development of modern society" (11 MECW 128), referring particularly to its dependence on rent.¹

The idea that principles which do not refer to the economic relations are the real motivators of social action is rejected by Marx, but he

1. This view finds support in Tom Kemp's Economic Forces in French History, Dennis Dobson, London, 1971, 108-9.

concedes that the individuals concerned may be dominated by these principles. The principles mask the real reason behind the group's cohesion, namely, its relation to the economic structure, and to that extent they are illusory. However, there is no suggestion that these principles are being used in a deliberate attempt to deceive people about the real nature of the struggle.

On this point Levin paints a misleading picture of the role of ideology in the Brumaire. Levin notes a great divergence between what he terms "false appearance" in Capital and the statement in the Manifesto that the bourgeois epoch had brought the most "naked" and "shameless" form of exploitation.¹ While this is true, he is wrong to characterise the Brumaire as a work in which "illusory appearances" are presented as being the product of deceit. He supplies five examples from the Brumaire and concludes:

Note that at this stage the terminology of illusory appearances is presented as a deliberate ploy by which the powerful deliberately conceal the real nature of their political rule. As we turn to the social perception of the economy, we shall notice that false appearances are now less deliberate, much harder to avoid, and impose themselves on rich and poor alike.²

This presents a misleading picture of Marx's treatment of ideological forms in the Brumaire. In general they are not produced as a deliberate ploy. Indeed, two of Levin's examples do not support his own argument; when Marx speaks of "this superficial appearance which veils the class struggle" (11 MECW 127) and later calls for the replacement of the slogan "Liberty, Equality, Fraternity" by "Infantry, Cavalry, Artillery" (11 MECW 137) he is not referring to dupery at all. In his handling of the relationship

1. See 6 MECW 478.

2. M. Levin, 'Marx and Working-Class Consciousness' in 1 History of Political Thought, issue 3, Autumn 1980, 503-4.

between the two royalist parties Marx accepts that the activists were convinced about the centrality of their principles, and he asks "who is there that denies this?" (11 MECW 128). He also applies the same consideration to the principles advocated by the political representatives of other social groups. Two of Levin's examples refer to the activities of Louis Bonaparte, and in this case it is true that Marx perceives his activities as "crafty" (11 MECW 149) rather than principled. There can be no doubt that Marx considers it is more difficult a task to expose political economy as ideology, for it is expressed in a technical way (with its related confidence), whereby many of the categories and relations assume an "objectivity" which he attempts to deny. His attacks on political economists in Capital and Theories of Surplus Value constitute a sustained attempt at exposing them as ideologists without suggesting that they are deliberately concealing a reality unfavourable to their own interests.

The Brunaire represents an important development in Marx's conception of ideology. Ideology is a consequence of the major developmental contradiction between the forces of production and the relations of ownership. The dominant class cannot escape from this contradiction, and seeks to legitimate the system which assures its dominance by universalising the values of that class. In this protracted, complex and comprehensive process, ideological factors can become the motivating force in the minds of the activists. From the resulting discrepancy between appearance and reality arise many particular contradictions such as the ones pointed out by Marx in the Brunaire. The activity of men is conditioned by the relationship of their class to the system of production, and this factor will assert itself, if necessary, over and against any ideological principles. Ideology is formed out of the need to obscure the contradictory nature of the system of production, and it also contributes to the creation of contradictions in the superstructure between activity and principle.

The Party of Order finally finds itself caught in "inextricable

contradictions" over the question of a possible revision of the Constitution in order to permit Louis Bonaparte to stand for re-election as President in May 1852. Obviously the Bonapartists support this, while the republicans, aware of Bonaparte's imperial aspirations, see it as a threat to the republic and are therefore implacably opposed to revision. The dilemma facing the Party of Order can be summarised as follows: if it votes against revision it will provoke Bonaparte to usurp power; if it votes for revision it will not succeed, as a 75 per cent majority it required and the republican vote will ensure that it is never reached; if it uses its Parliamentary majority to force an unconstitutional, simple, majority, it will devalue the constitution and give even more power to Bonaparte; also, a flouting of the constitution will introduce the possibility of a restoration of the monarchy, and this will show the incompatibility of Bourbon and Orleanist positions which, Marx reiterates, is caused by the two different forms of property which they represent.

Marx describes how some diplomats within the Party of Order attempted to fuse the two royal houses, their abortive efforts destroying the parliamentary fusion in the process. In addition, these negotiations caused splits within the two parties, and the very existence of a political crisis, and its related instability, persuaded many sections of the bourgeoisie to break with their parliamentary representatives and side with Bonaparte. The vote for revision was passed without the required majority, many of the Orleanists reasoning that it was better to support the republic, work for the election of their own Presidential candidate, and wait for a more opportune time to restore the monarchy. The Party of Order is found to be lacking in every aspect of this political struggle. Marx berates the Party for thinking that the "course of events" will supply "the solution of all the contradiction" (11 MECW 169). It amounts to an abdication of what power they possessed and serves as an open invitation for Bonaparte to seize power and destroy the Party of Order in the process. This "impotence" is exemplified by the decision to adjourn the Assembly for three months at a critical period.

The way to power was therefore simplified for Bonaparte by the balance of class and intra-class forces.

That Bonaparte has to keep these class forces in balance in order to preserve his own rule is a task which Marx considers to be contradictory and therefore doomed to failure:

This contradictory task of the man explains the contradictions of his government, the confused, blind to-ing and fro-ing which seeks now to win, now to humiliate first one class and then another and arrays all of them uniformly against him ...
(11 MECW 194)

Marx gives no credence to any notion of Bonapartism as a coherent political doctrine, and his attitude to Bonaparte is a mixture of detestation and grudging acknowledgment of his ability to extract the maximum advantage out of the weaknesses of others. Even though he dubs Bonaparte "mediocre" (11 MESW 244)¹ he credits him with political shrewdness on at least three occasions; the deployment of the French Army in Rome in June 1849 (11 MECW 131-5), gaining the allegiance of the army in the winter of 1850-1 (11 MECW 150-9), and his exploitation of the factional nature of the Assembly by frequent ministerial changes in the early months of 1851 (11 MECW 162-3). Nevertheless, the thrust of Marx's analysis is that it is the weakness of the various groups, reflecting the balance of class forces, which provide Bonaparte with many opportunities to strengthen his position and ultimately sink the republic.

Marx locates four sources of support for Bonaparte - the peasantry, the state officials, the lumpenproletariat, and the clergy. The peasantry voted him into the Presidency because they revered the memory of the first Napoleon, who had consolidated the smallholding system (11 MECW 189). His position as President gave him direct control of the

1. Several historians have agreed with Marx's impression of Bonaparte as a poor orator and slow thinker, e.g. F.A. Simpson, The Rise of Louis Napoleon, John Murray, London, 1909, 301-2; P. Guedalla, The Second Empire, Hodder & Stoughton, London, 1946, 134.

machinery of the state, which had been "perfected" by his uncle (11 MECW 185), while the army was sympathetic because of the glory which the first Napoleon had brought in his military exploits. Marx describes Bonaparte as the "head of the lumpenproletariat" (11 MECW 149) because he had recruited these elements into the Society of 10 December, a paramilitary force, although he did dissolve the Society in order to assuage army opinion. The clergy were won over by his action in dispatching troops to Rome in 1849 in support of the Pope, and the promise that their authority (particularly in education) would be restored.

Marx considers that it is impossible for Bonaparte to satisfy competing demands. The smallholding system, he believes, was suitable during Napoleon I's day, but the division of the land into smaller and smaller farms had rendered it outdated (11 MECW 190). The peasants are burdened down by mortgage debts and taxes, providing a vital source of income for the bourgeoisie and the state machine. Marx also believes that the decline in peasants' standard of life will make it difficult for the priests to assert their old authority (11 MECW 192) and will transform the army:

The army itself is no longer the flower of the peasant youth; it is the swamp-flower of the peasant lumpenproletariat ... It now performs its deeds of valour by hunting down the peasants like chamois,¹ and in organised drives, by doing gendarme duty, and if the internal contradictions of his system chase the chief of the Society of December 10 over the French border, his army, after some acts of brigandage, will reap, not laurels, but thrashings. (11 MECW 193)

In order to achieve any measure of success Bonaparte must encourage prosperous industry and trade, but in doing so Marx considers that he will strengthen the material power of the bourgeoisie and thereby regenerate

1. There were isolated peasant uprisings after the coup d'etat, but the majority of the peasantry supported Bonaparte. See 11 MECW 188-9.

its political power (11 MECW 194), a power that Bonaparte has just destroyed. Marx believes that it is beyond Bonaparte to satisfy all these demands as "he cannot give to one class without taking from another" (11 MECW 195). He is confident that Bonaparte's reign will be short-lived, for, "driven by the contradictory demands of his situation Bonaparte throws the entire bourgeois economy into confusion" (11 MECW 1970).

This misreading of the economic prospects of the Second Empire might have been avoided by a deeper socio-economic analysis of French society. In The Class Struggles Marx had emphasised the importance of the general economic crisis of 1847-8 in developing a revolutionary consciousness among the bourgeoisie (10 MECW 52). In the Brumaire he examines the nature and possible political effects of the "minor" crisis of 1851 (11 MECW 173-6), to explain that although the political situation in no way caused the slump in trade, the bourgeoisie considered that political stability was a sine qua non for renewed prosperity. Apart from this and his comments on the smallholding system there is little economic analysis in the Brumaire. He underestimates the capacity of French capitalism in the second empire to expand and mitigate the effects of the contradictory demands of the various classes. Zeldin comments on the prosperity of the period:

The second empire was a period of prosperity in over-all terms. There have been calculations suggesting that the national income rose by more than half, that the income of French industry rose by 73 per cent, and that of agriculture by 58 per cent. (Zeldin, 1973, 553)

In The Civil War in France, written almost 20 years later, Marx acknowledges the "colossal" expansion that had taken place, although he emphasises that the mass of the people did not share in the prosperity (MFI 208). This is a reminder by Marx that a period of prosperity in no way abolishes the general contradiction of capitalism.

Despite the exaggeration of the contradictions threatening Bonaparte, the Brumaire displays a detailed and sensitive analysis of the socio-political relationships of the second republic. His analysis of

contradictions does not concentrate on the simple opposition between different classes, but on the more subtle antitheses within a particular class. In the case of the proletariat, the contradiction is between their aspirations and the reality of their position in French society. In the case of the bourgeoisie, the contradiction is between principles and action, a rupture of theory and practice produced by its fragmented relationship to the economic structure. The balance of class forces produces a constitution which formalises these contradictions in its ambiguities, particularly its separation of powers. The form of particular political contradictions will change from situation to situation, as Marx indicates in his comments on the changing nature of revolution (11 MECW 104-7), but no purely political solution will prevent the emergence of new contradictions. Only a social revolution determined to abolish the general contradiction of private property will achieve this end.

It might be argued that an analysis concentrating on contradictions of various kinds is conventional rather than dialectical, but this misses the point that the dialectic operates in Marx's work within a conception of history. The motor of historical development, according to this conception, is the contradiction between the forces of production and the relations of production. This contradiction is manifested in class antagonisms, which are reflected in political struggles, and it is the class analysis of those struggles which distinguishes the Brumaire, and Marx's method in general.

CHAPTER FOUR

MONEY

Despite the importance which Marx attaches to the category of money, it is an aspect of his work which has been largely neglected by commentators, particularly in English. Suzanne De Brunhoff's Marx on Money is the only book devoted entirely to the subject, although there are relevant sections in Cutler, Hindess, Hirst and Hussain's Marx's Capital and Capitalism Today, and Karl Kühne's Economics and Marxism.

Marx makes some general comments on the power of money in On the Jewish Question, but his first study of money from the perspective of political-economy is contained in Comments on James Mill's 'Elements of Political Economy', written in Paris in the spring and summer of 1844. His interest in economic affairs had first been aroused by the debates on free trade and protective tariffs in the Rhine Province Assembly, which he covered in his capacity as editor of the Rheinische Zeitung in the winter of 1842-3 (see CCPE 19-20). Already by the end of 1843 he was declaiming against private property (3 MECW 187), but the Comments represents his first written work in political economy. There is a significant section on money in the Economic and Philosophic Manuscripts, and his first publication in political economy, The Poverty of Philosophy (1847) contains a small section on money. Marx resumed his work in political economy in London in 1850, and in the early part of 1851 he wrote a manuscript titled Das Vollendete Geldsystem ('The Money System as a Whole'), which is extant in Moscow but remains unpublished. Apparently it does not represent a draft of any of Marx's published work, and contains extracts, paraphrase and criticism of the works of over 80 authors.¹ Another manuscript - Geldwesen, Kreditwesen,

1. Letter to the author from L. Golman, Institute of Marxism-Leninism, Moscow, 3 May, 1979.

Krisen (Money System, Credit System, Crises) - also remains unpublished in Moscow.¹

Marx's pronounced interest in money in the early 1850's was chiefly inspired by the gold rushes in California and Australia and their effects on international economic relations. In the 1859 Preface to A Contribution to the Critique of Political Economy he states that the gold discoveries seemed to herald "a new stage of development" for capitalism, and this was one of the reasons for resuming his studies in political economy "from the very beginning" in 1850 (CCPE 22-3). In Wage Labour and Capital, published in 1849 on the basis of lectures given in December 1847, he had noted the importance of bullion discoveries in America in the 16th century for the development of capitalism:

In the sixteenth century, the gold and silver circulating in Europe increased as a result of the discovery of America. Hence, the value of gold and silver fell in relation to other commodities. The workers received the same amount of coined silver for their labour as before. The money price of their labour remained the same, and yet their wages had fallen, for in exchange for the same quantity of silver they received a smaller amount of other commodities. This was one of the circumstances which furthered the growth of capital and the rise of the bourgeoisie in the sixteenth century. (9 MECW 217)

The bonanzas of the mid 19th century undoubtedly depressed the value of gold, caused prices to rise and gave a boost to the rate of profit, thereby constituting an important exogenous factor in what has been described as a period of an expansive long wave of capitalist development (Mandel, 1980, 3 and 35).² An examination of Marx's views on the long

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1. Nicolaus considers that the manuscript was written between November 1854 and January 1855 (Nicolaus, 1973, 12), and Ryazonov comments on "the 1855 manuscript" (cited in Mandel, 1977, 76). Golman's letter dates it at 1853.
 2. Kondratiev dates the long wave of expansion at 1849-1873. See R.B. Day, 'The Theory of the Long Cycle: Kondratiev, Trotsky, Mandel,' 99 New Left Review, September-October 1976, 68.

run tendency of capitalism will be undertaken in chapter six.

Another factor which may have encouraged Marx to investigate money is the strength of the tensions between the financial and industrial sections of the bourgeoisie in France in the mid 19th century, which was alluded to in the last chapter. The fact that a revolutionary path was chosen to try to resolve this tension and the fact that the tension persisted through the Second Republic, may well have prompted Marx to pursue a deeper understanding of the relationship between money capital and industrial capital, and this would entail an analysis of money itself.

It is in the Grundrisse that Marx gives his most lengthy treatment of the category of money. The Grundrisse ("basic plan") comprises seven notebooks written in the winter of 1857-8. The first notebook and part of the second are devoted to money, and this comprises about a sixth of a work which runs to about 320,000 words. In the Grundrisse the concept of contradiction plays a vital role in Marx's method of investigation. In 1859 Marx published A Contribution to the Critique of Political Economy, and although the starting point of the exposition is, as with Capital, the commodity, by far the major portion of the book is taken up with an analysis of money.

Marx's magnum opus, Capital, was published in 1867, and during his lifetime only the first volume appeared. Engels edited the second volume from Marx's manuscripts of 1865 to 1870 and the third volume from Marx's manuscripts of 1864-5. Karl Kautsky edited Marx's manuscripts of 1861 to 1863 to publish the three books of Theories of Surplus Value, also known as the fourth volume of capital. Thus we have a set of texts which accords with Marx's plan of 1865-6 for a four volume work.¹

1. The plan which Marx finally arrived at for the presentation of his work first appears in a letter to Ludwig Kugelmann dated 13 October 1866 (21 MEW 534) For a full analysis of Marx's progress in arriving at a plan of presentation see Carver, 1975, 29-37.

In the first volume of Capital the category of money is introduced in the first chapter, which contains the theoretical underpinning for the whole work. The second volume deals with the circulation of capital, including money capital (the first chapter). In the third volume the final two chapters of Part IV and the whole of Part V deal with money, interest and credit. However, there should be no over-reliance on this material, for Engels has testified to the difficulties he encountered in preparing this part of the book for publication:

The greatest difficulty was presented by Part V which dealt with the most complicated subject in the entire volume. And it was just at this point that Marx was overtaken by one of the above-mentioned serious attacks of illness. Here, then, was no finished draft, not even a scheme whose outline might have been filled out, but only the beginning of an elaboration - often just a disorderly mass of notes, comments and extracts. (3 CAP 4)

In Theories of Surplus Value, chapter six of the first part, a critique of Quesnay, devotes much space to the flow of money. Chapter 15 of the second part - 'Ricardo's Theory of Accumulation and a Critique of It' - contains a wealth of interesting material on the contradictions immanent in the money category and the possible consequences of these contradictions in crises. In part three there is an addendum on 'Revenue and its Sources'.

MONEY IN THE EARLY WRITINGS

Marx begins his Comments on James Mill with misgivings about the abstract, constant laws propounded by Mill and others of the Ricardo school of political economy. In describing the relationship between the relative value of bullion and money Mill introduces the idea of equilibrium on a supply-demand model. Mill also states that the only factor in determining value is the cost of production, calculated on labour and capital, although how the value of labour and capital is equated is left unclear (3 MECW 597n). Marx expresses doubt about the cost of production argument, and it is not until The Poverty of Philosophy that he opts unequivocally for the labour theory of value, in the form

which Ricardo developed from Adam Smith (6 MECW 120ff).¹

Marx is concerned that the abstract, mechanical laws of classical economics fail to reflect the anarchic movement of real economic relationships, for in this field "law is determined by its opposite," and "the true law of political economy is chance". (3 MECW 211). However, at this stage Marx is unable to offer a science of the inner movements of the capitalist system - laws which account for lawlessness - and his writings on money in the Comments concentrate on its role as a mediating factor in the relationships between men which plays a crucial part in their alienation:

The essence of money is not, in the first place, that property is alienated in it, but that the mediating activity or movement, the human, social act by which man's products mutually complement one another, is estranged from man and becomes the attribute of money, a material thing outside man. Since man alienates this mediating activity itself, he is active here only as a man who has lost himself and is dehumanised; the relation itself between things, man's operation with them, becomes the operation of an entity outside man and above man. (3 MECW 212)

Marx then makes an analogy between money and Christ, in which private property is likened to God and society to man:

Christ is alienated God and alienated man. God has value only insofar as he represents Christ, and man has value only insofar as he represents Christ. It is the same with money. (3 MECW 212)

1. I am not suggesting that the role of value theory is the same for Marx and Ricardo. I agree with Desai when he writes that "Marx's value theory is different from Ricardo's as well as from the neo-classical theory. The role of value theory in Marx's work is to bring out the influence of the class struggles in capitalism on the economic relationships of exchange." M. Desai, Marxian Economics, Basil Blackwell, Oxford, 1979, 5.

This philosophical denunciation is extended to the credit system. Throughout the 19th century a variety of reform-minded writers considered that many of the deleterious effects of the industrial system might be avoided by an improvement in the credit system. In the Comments Marx addresses himself to the views of the Saint-Simonians, who considered that the credit system overcame the alienating aspect of money by encouraging the restoration of personal contact and trust.

Marx writes:

.... this abolition of estrangement, this return of man to himself and therefore to other men is only an appearance; the self-estrangement, the dehumanisation, is all the more infamous and extreme because its element is no longer commodity, metal, paper, but man's moral existence, man's social existence, the inmost depths of his heart, and because under the appearance of man's trust in man it is the height of distrust and complete estrangement. (3 MECW 214)

"Alienation" or "estrangement" for Marx in 1844 does not just apply to the relationships between man and man, the worker and his product, or even the worker's attitude to his life's activity. Marx also has a notion of man's essence, of his "own nature" from which he is estranged (3 MECW 220). Money is the manifestation of this estrangement, "the sensuous, even objective existence of this alienation" (3 MECW 221).

This conception of money is retained by Marx throughout his career as a political economist. Money was not just a quantifiable medium through which exchange was facilitated, but a manifestation of alienated relations of production. In the second part of Theories of Surplus Value he criticises Ricardo for failing to understand this:

Money is not only "the medium by which the exchange is effected", but at the same time the medium by which the exchange of product with product is divided into two acts, which are independent of each other, and separate in time and space. With Ricardo, however, this false conception of money is due to the fact that he concentrates exclusively on the quantitative determination of exchange-value, forgetting on the other hand the qualitative characteristic, that individual labour must present itself as abstract, general social labour only through its alienation. (2 TSV 504)

In the final page of his own remarks in the Comments Marx supposes

what production "as human beings" would have looked like. He concludes that man could have realised his "true", "human", and "communal" nature, and, in so doing, gained the "love" of his fellow man (3 MECW 227-8). He emphasises the "loss of self" inherent in production based on private property (3 MECW 228). This is a rare statement of "what might have been" from Marx, and might be regarded as a hope for a future society based on communal production. Later in The German Ideology Marx does offer a slightly flippant glimpse into his conception of the nature of future society in the passage in which he speaks of man being able to "hunt in the morning, fish in the afternoon, rear cattle in the evening, criticise after dinner, just as I have in mind" (5 MECW 47).

The final page of the Comments has a romantic ring to it, with the allusion to the powerful and tender emotion of love. However, István Mészáros (1972, 82) is still right to claim that during this period Marx was not indulging in "an idealisation of some kind of natural state" and that there is no trace of a "sentimental or romantic nostalgia". Certainly there is sentiment: a resentment of the human effects of production based on private property and a yearning for something better, but Marx in no way assumes that an idyllic existence once existed, or that there is a fixed natural state to which man could return. Marx shows an awareness of the necessary co-operative facet of all production and regrets that it is perverted in the present economic system.

Marx developed his views on money considerably in the Economic and Philosophic Manuscripts. The section on 'The Power of Money' appears at the end of the "economic" part of the manuscripts, prior to the discussion on Hegel, although Mészáros states that the section was written after the piece on Hegel (Mészáros, 1972, 97). Marx deals with the power of money in paradoxical terms:

I am ugly, but I can buy for myself the most beautiful of women. Therefore I am not ugly, for the effect of ugliness - its deterrent power - is nullified by money. (3 MECW 324)

This subversive quality of money is emphasised a little further on, when it is described as "the general confounding and confusing of all natural

and human qualities" (3 MECW 326). The acknowledgment of natural qualities should not be taken to mean that Marx held to a view of fixed essence: Marx talks about qualities which arise in people but which are suppressed or perverted by the power of money.

Thus a coward can induce fear if he buys forceful support, and this might make him appear to some to be brave. For Marx, money "makes contradictions embrace" (3 MECW 326). He employs quotations from Timon of Athens and Goethe's Faust to support the disdain he held for the omnipotence of money, a disdain maintained throughout his life. The same quotation from Timon of Athens recurs in his treatment of hoarding in the first volume of Capital - money is "Thou common whore of mankind" (1 CAP 229-30n cf. 3 MECW 323).

De Brunhoff finds it paradoxical that Marx's comments in Capital on hoarding seem "to be based entirely on the psychology of the hoarder" (De Brunhoff, 1976, 41). However, in the Grundrisse, although he stresses greed, it is regarded as both generator and consequence of the money form rather than an inexplicable proclivity. Greed is "impossible without money" (GR 163) and money is "not only the object but also the fountainhead of greed" (GR 222). In the section in Capital to which De Brunhoff refers, Marx indicates that it is a contradiction which drives the hoarder to his "Sisyphean task" of accumulation, a contradiction between "the quantitative limitation and the qualitative lack of limitation of money" (1 CAP 231). Because money is directly convertible to any other commodity it is independent of all limits, but the actual sum of money which appears in each transaction is limited in amount. Thus for Marx the hoarder "is in the same situation as a world conqueror, who discovers a new boundary with each country he annexes" (1 CAP 231). In the process of hoarding the money has to be withdrawn from circulation, and this entails a sacrifice of consumption by the hoarder which Marx describes luridly as sacrificing "the lusts of the flesh to the fetish of gold" (1 CAP 231).

The declamatory language which Marx had used in 1844 occurs

frequently in his later writings. For example, in his work on simple capitalist accumulation in the first volume of Capital he speaks of the worker being degraded to "an appendage of a machine," with the means of production undergoing a "dialectical inversion" to become the means of domination and exploitation which "alienate from him (the worker) the intellectual potentialities of the labour process" and "drags his wife and child beneath the wheels of the juggernaut of capital" (1 CAP 799). In the Manuscripts he had commented that capitalism for the worker meant "overwork and premature death, decline to a mere machine, a bond servant of capital" (3 MECW 238). In Capital he describes capital as "the capitalised blood of children" (1 CAP 920) and says that it comes "dripping from head to toe, from every pore, with blood and dirt" (1 CAP 926). This frequently applied mixture of indignation and analysis is particularly apparent in his handling of the category of money, for he is seeking to demonstrate the real social relations which are hidden beneath an apparently neutral form. This approach was later adopted in Georg Simmel's profound work The Philosophy of Money, in which he makes the interesting suggestion that all attempts to derive value from a single source would not have arisen but for the fact that the money form suggested it.¹

The themes developed in his 1844 writings are sustained by Marx, but at this stage he had not arrived at his theory of value, the distinction between socially necessary labour time and labour time, the distinction between labour and labour power, or the distinction between constant and variable capital. In this respect Godelier is correct in claiming that in the 1844 writings Marx destroys an ideology implicit in bourgeois political economy without "changing the state of economic science."²

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1. G. Simmel, The Philosophy of Money, trans. T. Bottomore & D Frisby, Routledge & Kegan Paul, London, 1978, 409.
 2. M. Godelier, Rationality and Irrationality in Economics, New Left Books, London, 1972, 120.

MONEY IN THE WRITINGS OF 1857-59.

The Grundrisse begins with a long chapter on money, and, specifically, with a criticism of the work of Alfred Darimon, a French Proudhonist who advocated a renunciation of the gold standard, and the introduction of interest-free credit. Marx extends this criticism to the idea of labour-money which was popular at the time among supporters of Proudhon, in the process revealing contradictions in the money relation. He then looks at the various functions of money before examining the roles of precious metals. After looking at the circulation of both commodities and money he makes an examination of the contradictory functions of money. At the beginning of the next chapter Marx re-examines the problems of money as a whole.

The presentation of the Grundrisse is often tortuous. The analyses are often couched in the language of German idealism and the work is replete with theoretical digressions. The contrast with Capital, 1, has been pointed out by John Mepham:

In Capital the section dealing with the transformation of money into capital is one of the most lucid and theoretically rigorous of the whole book Let us compare this with the problem as it is stated in the Grundrisse; here, in fact, it is stated in philosophical terms and it receives, before being abandoned unsolved, speculative abstract treatment. (Mepham, 1978, 440-1)

It seems likely that the reason for the style of writing in the Grundrisse is to be found in Marx's re-reading of Hegel, revealed in the letter to Engels of 14 January 1858, in which he states that Freiligrath had sent him some volumes of Hegel's works which had once belonged to Bakunin. He comments that the Logic "has been of great service to me as regards the method of dealing with the material" (MESG 93). Roman Rosdolsky, while stating that the Grundrisse is a "massive reference to Hegel" (Rosdolsky, 1977, xiii), in contrast to Capital, stresses the importance of the Grundrisse in providing an insight into the way in which Marx resolved several important economic questions. Mandel is in agreement:

Thus it was in the Grundrisse that there first appeared: the precise distinction between constant capital (the value of which is conserved by labour

power) and variable capital (the value of which is increased); the presentation of the value of a commodity as the sum of three elements, namely, constant capital, variable capital, and the surplus value (c+v+s); the growth of the annual mass of surplus value by the shortening of the circulation cycle of capital; the division of surplus value into absolute surplus value and relative surplus value, and this even in the form of the distinction between absolute and relative surplus labour; the entire theory of the equalisation of the rate of profit; etc. (Mandel, 1977, 102)

Mepham, on the other hand, stresses the "complete change of problematic" which Marx allegedly works on after the Grundrisse (Mepham, 1978, 440). Like Althusser's "epistemological break" between the young and mature Marx, this argument assumes ruptures in the development of Marx's thought. However, like Althusser, Mepham fails to deal adequately with the persistence of themes and the logical development of theoretical assertions which are apparent when looking at Marx's work as a whole. In the Grundrisse Marx explains the creation of surplus value by building on the distinction between labour and labour power (GR 321-5). Mepham is unhappy because the formulation in the Grundrisse "still falls short of terminological and conceptual rigour" (Mepham, 1978, 443), but while it cannot be disputed that the exposition in Capital is more succinct, Mepham's argument is based on Marx's style rather than substance.¹

Many of the problems surrounding money in the Grundrisse are provoked by a Proudhonist contention that the unfortunate consequences of the capitalist system could be overcome by an alteration of the process of circulation, rather than the process of production. Marx poses the problem:

The general question would be this: Can the existing relations of production and the relations of distribution which correspond to them be revolutionised by a change in the instrument of circulation, in the organisation of circulation? Further question: Can such a transformation of circulation be undertaken without touching the existing relations of production and the social relations which rest on them? (GR 122)

1. Marx admits that "it will be necessary later ... to correct the idealist manner of the presentation, which makes it seem as if it were merely a matter of conceptual determination and of the dialectic of these concepts" (GR 151).

For Marx this is clearly impossible, for money, as an essential relation of production, has "inherent" contradictions, and tinkering with the circulation processes "can only hope to reproduce these contradictions in one or another form".

What constitute the inherent contradictions in the money relation? As in the 1844 writings, Marx stresses the genesis of money as an alien force. As exchange develops so does the contradiction between the increasingly social character of production and the power "external to and independent of the producers" - money:

What originally appeared as a means to promote production becomes a relation alien to the producers. As the producers become more dependent on exchange, exchange appears to become more independent of them, and the gap between product as product and the product as exchange value appears to widen. Money does not create these antitheses and contradictions; it is, rather, the development of these contradictions and antitheses which creates the seemingly transcendental power of money. (GR 146)

Thus the contradictions are real, and although there is a contradiction immanent in the money relation, money itself is a reflection of the contradiction which originated in the twofold nature of the commodity - its existence as a specific product on the one hand, and, on the other hand, as exchange value or money (GR 147).

Marx also points to further sources of tension within the development of the money relation. First, the separation of purchase and sale in terms of space and time. This opens the way for the stockpiling of commodities or the accumulation of money, and this separation creates the possibility of crises. Second, the development of a separate money business, and here Marx warns of the possibility of contradictions between commodity and money circulation which may lead to commercial crises.

Marx also speaks of another contradiction surrounding money:

.... money comes into contradiction with itself and with its characteristic by virtue of being itself a particular commodity (even if only a symbol) and of being subject, therefore, to particular conditions of exchange in its exchange

with other commodities, conditions which contradict its general unconditional exchangeability. (GR 150).

The contradiction here occurs between the general nature of money, being exchangeable with all other commodities, and the fact that it is a particular commodity itself - "here again a new source of contradictions which make themselves felt in practice" (GR 151).

The practical manifestation of this theoretical contradiction is the separation of the money business from "commerce proper". This both stimulates economic activity but also opens up the possibility of crisis. A particular contradiction may be resolved, but the general contradiction which subsumes it remains immanent in the economic system as a whole. Within the general contradiction money operates as manifest alienation. On the one hand it facilitates exchange and thereby appears to encourage social co-operation, but on the other hand exchange based on money produces alienation, a major feature of which is automatism. Money solves certain contradictions but creates others:

We see that it is in the nature of money to solve the contradictions of direct barter as well as exchange value only by positing them as general contradictions In order to secure the exchangeability of the commodity, exchangeability itself is set up in opposition to it as an independent commodity. (It was a means, becomes an end). (GR 200-1)

Marx stresses that the contradictions of the productive and circulatory systems will not disappear within the system, but he also realises that within the system there must be processes which indicate the possibility of harmonious forms of production and exchange. His criticism is therefore not entirely negative:

But within bourgeois society, the society that rests on exchange value, there arise relations of circulation as well as of production which are so many mines to explode it. (A mass of antithetical forms of the social unity, whose antithetical character can never be abolished through quiet metamorphosis. On the other hand, if we do not find concealed in society as it is the material conditions of production and the corresponding relations of exchange prerequisite for a classless society, then all attempts to explode it would be quixotic)(GR 159)

It is this "mass of antithetical forms" which concerns Marx in the Grundrisse. He is annoyed that economists are able to recognise the need for a mediated form of exchange in modern society and yet pay little attention to the problems inherent in that mediation. They fail to see that "in the real development of money there are contradictions which are unpleasant for the apologetics of bourgeois common sense, and hence must be covered up" (GR 198). A notable example is provided by the relationship between purchase and sale:

But in so far as they are both essential moments of a single whole, there must come a moment when the independent form is violently broken and when the inner unity is established externally through a violent explosion. Thus already in the quality of money as a medium, in the splitting of exchange into two acts, there lies the germ of crises, or at least their possibility, which cannot be realised, except where the fundamental preconditions of classically developed, conceptually adequate circulation are present. (GR 198)

In bourgeois theory, purchase and sale balance out - every purchase is a sale, and vice-versa, producing an equilibrium (Say's Law). In practice purchase and sale are mediated by money and separated in time and space. Although the bourgeois economists accept that money is different from other commodities, they treat it as though it was just another commodity. In failing to examine the specific functions of money in the circulation system they are ignorant of the causes of monetary crises which, in extreme cases, lead to a reversion to barter - the "inner unity" of purchase and sale caused by a "violent explosion".

The formulation of circulation made in the Grundrisse is carried through to the Contribution and goes on to play a crucial role in the theoretical development of Capital. "Circulation" is viewed as being circular rather than alternating, and there are two circular paths; Commodity-Money-Money-Commodity; and in the other direction M-C-C-M; selling in order to buy and buying in order to sell (GR 201). In later formulations the duplication of the middle term is avoided.

For Marx money is "merely the perceptible appearance" (GR 240) of contradictions. The contradictions take place in the very nature of

exchange, and money veils and perverts the social relationships in that exchange process. The difficulty which classical political economy had failed to overcome in analysing money was compounded by a purely technical approach, in this way forgetting that "a social relation ... appears as a metal, a stone, a purely physical, external thing which can be found, as such, in nature" (GR 239). Here Marx stresses the necessity for examining money in the totality of its functions, and he also, as in the 1844 writings, brings the problem back to real, social relationships, to "definite relations between individuals" (GR 239).

The Contribution develops many of the analyses contained in the Grundrisse - the dual circuit of circulation, the distinction between labour and labour power, and the attack on labour money. Marx also chides both modern economists and the old monetarist school for "failure to perceive that money, though a physical object with distinct properties, represents a social relation of production" (CCPE 35). But it is just this quality of money as a representation of the social relations of production, which causes him to repudiate money as a symbol¹, in contrast to the Grundrisse (GR 150):

Money is not a symbol, just as the existence of a use value in the form of a commodity is no symbol. A social relation of production appears as something existing apart from individual human beings, and the distinctive relations into which they enter in the course of production in society appear as the specific properties of a thing - it is this perverted appearance, this prosaically real, and by no means imaginary, mystification that is characteristic of all social forms of labour positing exchange value. This perverted appearance manifests itself merely in a more striking manner in money than it does in commodities. (CCPE 48-9)

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1. He reiterates that money is not a symbol in Capital (1 CAP 185). Cutler, Hindess, Hirst and Hussain also come to the conclusion that the idea of money as a "sign" is untenable, but they wrongly attribute the idea to Marx. See Marx's Capital and Capitalism Today, vol. 2 Routledge & Kegan Paul, London, 1978, 13-4.

A symbol, as a mere emblem representing something independent from it, might be exposed and replaced by a sign representing, for instance, the course of value, labour time. This was the argument of the Proudhonists. Marx's argument that changing the symbol cannot change the real contradictions inherent in bourgeois production can only be really effective if he emphasises that money is not a symbol. It is a real part of the exchange system, a perverted appearance of the relations of production. But in attacking this appearance the Proudhonists were attacking the effects of the contradictions inherent in the bourgeois mode of production, rather than the cause, the very nature of commodity production itself.

This "priority" of the commodity is reflected in the major presentational difference between the Contribution and the Grundrisse. The Contribution, as with Capital eight years later, begins with a chapter on the commodity. For Marx, this priority clears away many of the problems which might be encountered in the analysis of money, for he considers the commodity to be the origin of money - "after that it is only a question of clearly comprehending the specific form peculiar to it" (CCPE 64). However, the task is not an easy one because of the ubiquity of money in bourgeois relations; the specific form appears to have an "infinitely varied content" (*idem*).

As in the Grundrisse, contradictions are conceived as both progressive, in the sense that they allow for the production of more and more wealth, and antagonistic, in the sense that they are manifest in social tensions and will, in combination with other contradictions, eventually "explode" the bourgeois mode of production. Thus money resolves one contradiction; between the particularity of a commodity's use value and its generality as exchange value:

The commodity which has been set apart as the universal equivalent is now an object which satisfies a universal need arising from the exchange process itself, and has the same use-value for everybody - that of being carrier of exchange value or a universal medium of exchange. Thus the contradiction inherent in the commodity as such, namely that of being a particular use-value and simultaneously universal equivalent, and hence a use-value for everybody or a universal use value,

has been solved in the case of this one commodity (CCPE 48).

Later Marx talks about the contradiction latent in commodity exchange being both "exposed and resolved by circulation" (CCPE 86), but the resolution itself provides room for other contradictions to develop:

The separation of sale and purchase makes possible not only commerce proper, but also numerous pro forma transactions, before the final exchange of commodities between producer and consumer takes place. It thus enables large numbers of parasites to invade the process of production and to take advantage of this separation. But this again means only that money, the universal form of labour in bourgeois society, makes the development of the inherent contradictions possible. (CCPE 98)

Although Marx had chided himself about the idealist presentation in the Grundrisse, his philosophical background is still evident in the Contribution. He translates the circulation formula C-M-C to the "abstract logical syllogism P-U-I, where particularity forms the first extreme, universality characterises the common middle term and individuality signifies the final extreme" (CCPE 94). Marx may have taken the idea of this form of presentation from Ferdinand Lassalle's The Philosophy of Heraclitus the Obscure of Ephesus, which he scathingly dismisses in a letter to Engels of 1 February 1858. However, while rejecting Lassalle's attempts to mix dialectics with political economy he mentions the latter's use of terms such as "universal" and "particular" in relation to money. The letter also contains a warning against rigidly applying a logical system to an inadequately researched subject matter:

He will learn to his cost that to develop a science by criticism to the point where it can be dialectically presented is an altogether different thing from applying an abstract ready-made system of logic to vague notions of a system of this kind. (MESC 95)

The Contribution stops short at the point at which Marx is about to deal with the transformation of money into capital, the projected third chapter. Accordingly, there is no mention of the manifest antagonisms of the mode of production in the body of the work. The Introduction to the Grundrisse, which was originally drafted as an Introduction for what emerged as the Contribution, declares bourgeois society to be "a

contradictory form of development" (GR 105 cf. CCPE 211), and the Preface contains Marx's conviction that the capitalist mode of production would meet its demise.

MONEY IN CAPITAL

Marx attempts to reveal the laws of motion of the capitalist mode of production in Capital, but he does not begin his analysis with capitalism in general. He selects certain core categories, such as the commodity and money, and develops an ideal model of production and exchange. The methodological problems of presentation are confronted by Marx in the Preface to the first edition:

Beginnings are always difficult in all sciences. The understanding of the first chapter, especially the section that contains the analysis of commodities, will therefore present the greatest difficult ... The value-form, whose fully developed shape is the money-form, is very simple and slight in content. Nevertheless, the human mind has sought in vain for more than 2,000 years to get to the bottom of it, while on the other hand there has been at least an approximation to a successful analysis of forms which are much richer in content and more complex. Why? Because the complete body is easier to study than its cells. Moreover, in the analysis of economic forms neither microscopes nor chemical reagents are of assistance. The power of abstraction must replace both. (1 CAP 89-90)

Marx had decided that the best method of presentation was from the abstract (simple categories) to the concrete (totality of economic relations). In the 1857 Introduction to the Grundrisse he writes:

The economists of the 17th 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. (GR 100-1)

The development from the abstract to the concrete is by no means a simple one. Both Mandel (1980, 12-3) and Fine and Harris (1979, vii)

have emphasised the importance of understanding the different "levels of abstraction" in which Marx's system is expressed. The greatest difficulty has been characterised as the "transformation problem", for the value system of the first volume of Capital has to give way to the overt world of prices in the third volume. Critics from Böhm-Bawerk on have damned his system precisely because of this transformation problem.¹

The analysis of the simple categories proceeds within the framework of the existing economic structure, rather than in sequence of their historical origin and significance (GR 107). The categories are analysed in relation to each other and in this way Marx, using the same categories as the English political economists, builds from the labour theory of value an explanation of how surplus value arises, and, with this, a theory of capitalist exploitation.

Money is first considered in its theoretical genesis before Marx extends the analysis of money in the circulation processes within capitalism in the second volume. When he analyses credit, however, in the third volume, he begins with credit in capitalist society, because, as De Brunhoff points out, the credit system of capitalism is unique and could not be developed from, for instance, merchants' capital (De Brunhoff, 1976, 78).

Marx introduces money in the third part of his first chapter in Capital. He makes a statement of intent to unveil the mystery of money:

Everyone knows, if nothing else, that commodities have a common value-form which contrasts in the most striking manner with the motley natural forms of their use values. I refer to the money form. Now, however, we have to perform a task never even attempted by bourgeois economics. That is, we have to show the origin of this money-form, we have to trace the development of the expression of value contained in the value-relation of commodities from its simplest, almost imperceptible outline to the dazzling money form. When this has been done, the mystery of money will immediately disappear.

(1 CAP 139)

1. This is the basis of Blaug's criticism of Marx's economics. M. Blaug, A Methodological Appraisal of Marxian Economics, North Holland Publishing Co., Amsterdam, 1980.

Marx intends to go beyond the appearance of money in contemporary society in order to demonstrate the role that it plays in the capitalist mode of production, particularly in relation to the accumulation of surplus value. He takes the reader through an elementary, ideal development of the forms of exchange. First there is the simple, isolated or accidental form, as in $x \text{ linen} = y \text{ coat}$. Next there is the total or expanded form, as in $x \text{ linen} = y \text{ coat} = x \text{ iron}$. Then comes the general form of value in which many commodities in various quantities are expressed as an amount of a single commodity. Lastly, there comes the money form, when the single commodity mentioned in the third form wins a monopoly position, as happened with gold. In relation to this Marx supplies a quotation from Revelation - "These have one mind, and shall give their power and strength unto the beast" (1 CAP 181). Immediately after introducing the money form of exchange Marx begins his discussion of commodity fetishism, and it is a discussion redolent with assertions remarkably similar to those in his 1844 writings. The relevant passages are worth quoting:

The mysterious character of the commodity form consists therefore simply in the fact that the commodity reflects the social characteristics of men's own labour as objective characteristics of the products of labour themselves, as the socio-natural properties of these things. Hence it also reflects the social relation of the producers to the sum total of labour as a social relation between objects, a relation which exists apart from and outside the producers It is nothing but the definite social relation between men themselves which assumes here, for them, the fantastic form of a relation between things. In order, therefore, to find an analogy we must take flight into the misty realm of religion. There the products of the human brain appear as autonomous figures endowed with a life of their own, which enter into relations both with each other and with the human race. So it is in the world of commodities with the products of men's hands. I call this the fetishism which attaches itself to the products of labour as soon as they are produced as commodities, and is therefore inseparable from the production of commodities. (1 CAP 164-5)

Apart from the absence of phrases such as "estranged essence" and "alienated species-activity" the argument closely resembles the discussion of money as a medium of exchange in the Comments on James Mill. The

religious analogy is identical. In Comments Marx had written:

It is clear that this mediator now becomes a real God, for the mediator is the real power over what it mediates to me. Its cult becomes an end in itself. (3 MECW 212)

Marx used the term fetish in the way used by the French anthropologist Charles de Brosses, whose work The Cult of Fetish Gods Marx had read in 1842.¹ It denotes an inanimate object worshipped because of its supposed magical powers. Marx also stresses the omnipotence of money in much the same fashion as he did in the Economic and Philosophic Manuscripts. In addition to quoting from Timon of Athens he quotes Columbus as saying that "gold can even enable souls to enter Paradise" and Sophocles as saying that "nothing so evil as money every grew to be current among men" (1 CAP 229-30). Later he quotes Boisguillebert as saying "money declares war on the whole of humanity" (1 CAP 239). The "magic" of money is, for Marx, a reflection of the alienation inherent in commodity fetishism:

Without any initiative on their part, the commodities find their own value-configuration ready to hand, in the form of a physical commodity existing outside but also alongside them. This physical object, gold or silver in its crude state, becomes, immediately on its emergence from the bowels of the earth, the direct incarnation of human labour. Hence the magic of money. Men are henceforth related to each other in their social process of production in a purely atomistic way. Their own relations of production therefore assume a material shape which is independent of their control and their conscious individual action. The situation is manifested first by the fact that the products of men's labour universally take on the form of commodities. The riddle of the money fetish is therefore the riddle of the commodity fetish, now become visible and dazzling to our eyes. (1 CAP 187).

The role which Marx ascribes to money in "atomising" social relations represents a clarification of the alienation thesis contained in the

1. See T. Carver's 'Marx's Commodity Fetishism', 18 Inquiry 1975, 50-1.

Economic and Philosophical Manuscripts. The alienation motif recurs in part seven of the first volume of Capital when he talks about the worker:

Since, before he enters the process, his own labour has already been alienated from him, appropriated by the capitalist, and incorporated with capital, it now, in the course of the process, constantly objectifies itself so that it becomes a product alien to him. (1 CAP 716)

Marx distinguishes five functions of money - as universal equivalent; means of exchange; measure of value (and standard of price); means of payment (deferred payment); and means of accumulating values. The contradictions which Marx exposes in connection with money are mostly concerned with money as a means of exchange, but he also writes about the contradiction immanent in the function of money as a means of deferred payment, the credit system on which trade relies. When payments balance each other money is manifest only in bookkeeping entries or credit notes, but when there are disturbances in the mechanism for one reason or another, hard cash is demanded:

The bourgeois, drunk with prosperity and arrogantly certain of himself, has just declared that money is a purely imaginary creation. "Commodities alone are money," he said. But now the opposite cry resounds over the markets of the world: only money is a commodity ... In a crisis, the antithesis between commodities and their value form, money, is raised to the level of an absolute contradiction. Hence money's form of appearance is here also a matter of indifference. (1 CAP 236)

Here Marx uses the term "absolute" to distinguish a contradiction which is manifested in physical dislocation from the contradictions which are resolved by the further development of the productive and circulatory systems. A similar usage of "absolute contradiction" occurs later on when Marx deals with the consequences which technological innovation hold for workers (1 CAP 617-18). In the discussion of money as a means of payment in Theories of Surplus Value Marx makes the same distinction, but this time he talks of "potential" and "real" contradictions (2 TSV 512). Here Marx equates "reality" with appearance, although it must be stressed that this is an isolated usage.

In dealing with the exchange process in Capital Marx reconstructs the formulae for simple circulation worked out in the Grundrisse and published in the Contribution, viz. C-M-C and M-C-M. Marx regarded this excursion into symbols as infringing on the popularity of the work, as is clear from a letter to Engels dated 15 August 1863 - "the points are taking on a tolerable popular form - with the exception of a few unavoidable M-C's and C-M's" (quoted in Rosdolsky, 1977, 25-6n) - but the argument is still quite clear.¹ However, before he embarks on his argument concerning the circulation of commodities he gives a rare statement on the resolution of contradictions:

We saw in a former chapter that the exchange of commodities implies contradictory and mutually exclusive conditions. The further development of the commodity does not abolish these contradictions, but rather provides the form within which they have room to move. This is, in general, the way in which real contradictions are resolved. For instance, it is a contradiction to depict one body as constantly falling towards another and at the same time constantly flying away from it. The ellipse is a form of motion within which this contradiction is both realised and resolved.
(1 CAP 198)

Marx uses "real" to refer to particular contradictions which can be resolved by the workings of the system as a whole; it is different from the "real" contradictions which he mentions once in Theories of Surplus Value (2 TSV 512). Particular contradictions do not, as is evident from Marx's comments, require conflictual resolution, but they are not simply existential contradictions of the type cited frequently by Fichte, Schelling, and Hegel. The particular contradictions relate to the general contradictory nature of the capitalist mode of production, a general contradiction which can only be resolved decisively.

1. J. Morris considers Marx's arguments emphasising the polarity between commodity and money to be "Hegelian" and "difficult to grasp". He presents an excellent explication of Marx's argument in the language of modern economics. See J. Morris, 'Marx as a Monetary Theorist', in 31 Science and Society, 1967, 407-11.

Blaug seizes on the ellipse analogy to attack Marx's formulation of economic contradictions;

... why should we take much notice of the inner contradictions of capitalism when we learn that even the elliptical motions of planets around the sun are nothing but the resolution of the "contradiction" between rectilinear motion and the centripetal forces of gravity? Marx's "destructive" contradictions are so frequently merely "contradistinctions," or else mutually counteracting forces that may as easily co-exist in stable as in unstable equilibria.¹

Blaug commits the error of failing to relate the particular contradictions to the general contradiction of capitalism. He has lost sight of something crucial to the presentation of Capital, namely, the argument that economic relationships are real, social, relationships which take on the appearance of being relations between things. When this is understood, particular contradictions cannot be taken to exist in stable equilibria without a wholesale rejection of Marx's economics. "Mutually counteracting forces" indicates a non-dialectical use of contradiction which does not apply to the contradictions he perceives in the capitalist system. Marx maintains the dialectical innovation of the positivity of contradiction and infuses it with the idea of a general contradiction based on incompatible essences, hence the "destructive" nature of Marx's contradictions.

Marx also uses contradiction in accordance with the law of non-contradiction, that opposed statements cannot both be true, as when he criticises John Stuart Mill for being "at home with absurd and flat contradictions as he is at sea with the Hegelian 'contradiction', which is the source of all dialectics" (1 CAP 744n).

At the end of the fourth chapter Marx sets down the general formula for capital as $M-C-M'$, where $M' = M$ (the original sum advanced) $+ \Delta M$ (an increment). In the following chapter Marx confronts the problem raised by the general formula. He sets down the problem:

1. M. Blaug, op. cit., 41

The form of circulation within which money is transformed into capital contradicts all the previously developed laws bearing on the nature of commodities, value, money, and even circulation itself. What distinguishes this form from that of the simple circulation of commodities is the inverted order of succession of the two antithetical processes, sale and purchase. How can this purely formal distinction change the nature of these processes, as if by magic? (1 CAP 258)

Here again he uses the verb "to contradict" in conformity with the law of non-contradiction. The question does not receive an answer until the sixth chapter, for the fifth chapter explains why surplus value cannot arise from the merchants' or usurers' capital, i.e. from within the system of circulation. The answer lies in labour-power, the commodity whose use value also creates value:

In order to extract value out of the consumption of a commodity, our friend the money owner must be lucky enough to find within the sphere of circulation, on the market, a commodity whose use-value possesses the peculiar property of being a source of value, whose actual consumption is therefore itself an objectification of labour, hence a creation of value. The possessor of money does find such a social commodity on the market: the capacity for labour, in other words, labour-power. (1 CAP 270)

Marx's handling of money in the first volume of Capital never loses sight of the fact that money represents real social relations, and yet assumes a power independent of and dominant over those social relations. It is also ostensibly dialectical, in the sense that the presentation contains several instances of contradiction, polar opposites and antitheses. The ellipse analogy has already been mentioned as an example of the kind of analytical contradiction which Marx might have classified as "existential" according to his 1843 conclusions on the nature of opposition in Hegel's work. Similarly the treatment of the limited and yet unlimited nature of money as a contradiction in his comments on hoarding indicates his philosophical heritage. The difference between

these particular contradictions and the existential oppositions of Fichte,¹ Schelling and Hegel is that Marx relates them to the general contradiction of capitalism, proceeding through several levels of abstraction corresponding to the three volumes of Capital.

Interestingly, Marx sometimes reverts to the use of "opposition" when writing about particular contradictions. Shortly after the ellipse analogy he denotes the differentiation of the commodity in exchange into two elements, commodity and money, as an opposition. However, in order to emphasise that the disclosure of the oppositions contained in the exchange process is not merely an interesting abstract analysis but a necessary step towards understanding the inadequacy of capitalism, he states that "these antagonistic forms of the commodities are the real forms of motion of the process of exchange" (1 CAP 199). A similar allusion to antagonism, indicating an observable tension, is found in his passages on the "antithetical processes of circulation" (1 CAP 217-8).

Later on in the first volume the effects of such contradictions are discussed and the necessity of their development is stated, in terms similar to the "quixotic" formulation in the Grundrisse (see above, 111):

..... the development of the contradictions of a given historical form of production is the only historical way in which it can be dissolved and then reconstructed on a new basis. (1 CAP 619)

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1. Marx explicitly distances himself from Fichte in a footnote to his analysis of commodities, dismissing Fichte's individualism as unrealistic: "... a man is in the same situation as a commodity. As he neither enters into the world in possession of a mirror, nor as a Fichtean philosopher who can say 'I am I', a man first sees and recognises himself in another man" (1 CAP 144n). This misrepresentation of Fichte, who had written "man becomes man only amongst men" (Fichte, 1889, 60-1) is a reminder that Fichte's importance in the development of the dialectic is not directly appreciated by Marx, but is significant for the development of Marx's method because of the great influence it had on Hegel's work.

Marx's main treatment of the manifest contradictions likely to erupt in the capitalist mode of production occurs in the third volume of Capital, particularly that part dealing with the tendency of the rate of profit to fall, which will be examined in chapter six.

The second volume of Capital is devoted to circulation, reproduction and extended accumulation (as opposed to primitive accumulation discussed in the first volume). Marx's formula for the circulation of money capital is M-C ... P ... C'-M' with P representing the production process. Thus the capitalist first buys commodities (labour and capital), consumes them productively, extracting surplus value and creating commodities of greater value which are sold for more money. This formula can only operate on the basis of capitalist production "because it presupposes the availability of the class of wage-labourers in sufficient numbers throughout society" (2 CAP 117-8). Marx notes the tendency for the monetary aspect of circulation to achieve "independence" (2 CAP 136), and also mentions the possibility of financial crises. After stating that there could be no money-capital in communist society, where production would take place in a planned way on the basis of needs, he writes:

In capitalist society, on the other hand, where any kind of social rationality asserts itself only post festum, major disturbance must and can occur constantly. On the one hand there is pressure on the money market, while conversely the absence of this pressure itself calls into being a mass of such undertakings, and therefore the precise circumstances that later provoke a pressure on the money market. The money market is under pressure because large scale advances of money capital for long periods of time are always needed here. (2 CAP 390)

However, an analysis of the independent money forms in the capitalist system is left aside, and although it comprises the object of study of the infamous part five of the third volume, Marx's work in this respect is inchoate.

* * *

Marx's writings on money reveal the relationship between particular

contradictions in the development of commodity production and the general contradictory nature of the capitalist system. Money plays a crucial role in the development of a system of production and exchange in which the relationships between human beings take on the appearance of being relationships between things. He conceives money to be integrally associated with alienation, from the writings of 1844 through to Capital. This unity of theme is illustrated by the recurrence of literary references to the power of money, analogies with religion, and the numerous explicit references to alienation.¹ Money plays an instrumental part in the development of the contradictory system of capitalism, in which the essentially autonomic nature of the system stands irreconcilably opposed to the human essence of creative action. Although these essences can not be successfully mediated, in reality the system continues to operate, and its operation relies on money in its various functions. Money resolves the particular contradiction between the particularity of the commodity's use value and its generality as exchange value; it facilitates transactions, but in so doing it opens the way for more particular contradictions to emerge, for example in the credit system. Money both resolves and exposes the contradictions within the system. It enables it to move, but its movement increasingly indicates the incapacity of its relations of production to remain "appropriate" (CCPE 20) to the forces of production.

1. A list of the major references to alienation in a variety of works from The German Ideology to Capital is found in Mészáros, 1972, 328-31.

CHAPTER FIVE

ECONOMIC CRISES

As economic crises are regarded by Marx as the collective eruption of "all the contradictions of bourgeois production" (2 TSV 534), it is important to understand how Marx approached the problem of characterising and explaining this phenomenon. In the process valuable insights into his method of study and the nature of those contradictions are gained. This chapter will examine the development of Marx's thoughts on economic crises and his reaction to the relevant thoughts of other political economists. Two possible perspectives for a Marxian theory of crises will be investigated, and the methodological implications of his work in this area will be discussed.

The assertion that periodic trade crises demonstrate the chronic instability of the capitalist system, and that the crises will increase in severity, is found in Outlines of A Critique of Political Economy by (3 MECW 433-4). This work was regarded by Marx as "brilliant" (CCPE 22) and it stimulated the lifelong correspondence between the two men. Engels's work was written in late 1843 and published the following year. At this time Marx's knowledge of political economy was slight, although he mentions the "slump" as a fact of economic life which follows a "headlong rush of over-production" in the Economic and Philosophical Manuscripts (3 MECW 240). In The German Ideology there is one mention of crises, caused by the influence of over-production on the exchange value of products (5 MECW 518). In The Poverty of Philosophy, published in July 1847, crises are scarcely mentioned, but in one passage he describes an industrial cycle of "prosperity, depression, crisis, stagnation, renewed prosperity, and so on" (5 MECW 137). However, Marx's uncertainty in this area is demonstrated by a different cycle described in his Speech On The Question of Free Trade, delivered in January 1848 and published the following month. In this he speaks of

"the successive phases of prosperity, overproduction, stagnation, and crises" (6 MECW 462).

Economic crises achieve a new prominence in Marx's work with the publication of the Manifesto of the Communist Party:

For many a decade past the history of industry and commerce is but the history of the revolt of modern productive forces against modern conditions of production, against the property relations that are the conditions for the existence of the bourgeoisie and of its rule. It is enough to mention the commercial crises that by their periodical return put on its trial, each time more threateningly, the existence of the entire bourgeois society. In these crises a great part not only of the existing products, but also of the previously created productive forces are periodically destroyed. In these crises there breaks out an epidemic that, in all earlier epochs, would have seemed an absurdity - the epidemic of overproduction. Society suddenly finds itself put back into a state of momentary barbarism; it appears as if a famine, a universal war of devastation had cut off the supply of every means of subsistence; industry and commerce seem to be destroyed; and why? Because there is too much civilisation, too much means of subsistence, too much industry, too much commerce. The productive forces at the disposal of society no longer tend to further the development of the conditions of bourgeois property; on the contrary, they have become too powerful for these conditions, by which they are fettered, and so soon as they overcome these fetters, they bring disorder into the whole of bourgeois society, endanger the existence of bourgeois property. The conditions of bourgeois society are too narrow to comprise the wealth created by them. And how does the bourgeoisie get over these crises? On the one hand by enforced destruction of a mass of productive forces; on the other, by the conquest of new markets, and by the more thorough exploitation of the old ones. That is to say, by paving the way for more extensive and more destructive crises, and by diminishing the means whereby crises are prevented. (6 MECW 489-90).

The general developmental contradiction which first appeared in The German Ideology is here applied to capitalism, but Marx does not move much beyond the general terms of the dissonance. He describes the destruction of capital during crises and points to the paradox of overproduction, but when moving on to the important question as to why these developments take place he reverts to rhetoric and generality; crises are not explained and the argument is tautologous. Finally, in mentioning the two forms of response to crises - destruction of capital and the extension of markets - it is asserted that future crises will

be more severe and less easy to overcome. A similar prognostication is to be found in the final paragraph of Wage Labour and Capital, but here Marx forecasts a greater frequency of crises and briefly enlarges on the question of their increasing severity:

Finally, as the capitalists are compelled, by the movement described above, to exploit the already existing gigantic means of production on a larger scale and to set in motion all the mainsprings of credit to this end, there is a corresponding increase in earthquakes, in which the trading world can only maintain itself by sacrificing a part of its wealth, of products and even of productive forces to the gods of the nether world - in a world, crises increase. They become more frequent and more violent, if only because, as the mass of production, and consequently the need for extended markets grows, the world market becomes more and more contracted, fewer and fewer markets remain available for exploitation, since every preceding crisis has subjected to world trade a market hitherto unconquered or only superficially exploited. (9 MECW 228)

Here Marx talks in terms of a physical limit to the extension of the world market, an early and cursory attempt to support his argument that crises would occur more frequently and more violently. The physical limits argument is a weak one. Ricardo uses such an argument to suggest that the increasing relative scarcity of land is responsible for the tendency of the rate of profit to decline, and Marx rejects it emphatically, as it fails to anticipate more efficient use of existing land (GR 754). In the Manifesto he had already forecast a more intensive exploitation of foreign markets, and this militates against a physical limits argument. However, such an economic response will, of course, contribute to social and political contradictions such as anti-colonial struggles. The allusion to the greater frequency of crises indicates that Marx at this stage had not arrived at an understanding of the periodicity of crises, which he later related to the renewal of fixed capital (2 CAP 264).

In the reviews from the Neue Rheinische Zeitung which appeared in 1850 there are detailed observations of commercial fluctuations. Marx regarded the English crisis of 1847-8 as the culmination of a "cycle of

industrial development" which began in 1843, and on this basis he incorrectly predicts another crisis for 1852 (MR 297). Despite the descriptive thoroughness of the 1850 writings on crises, the causes of the phenomenon are not analysed. Exogenous factors such as crop failures are regarded as precipitants or exacerbations acting on overproduction (see MR 285), but no adequate reason for overproduction is supplied.

* * *

Marx hoped to expose the "inner secrets" of the capitalist system and in this way show most clearly its exploitative nature. Unfortunately, in working from abstraction to concrete reality Marx left his considerations of some of the most burning issues in manuscripts which were not ready for publication and were often incomplete. In the previous chapter it was shown that Marx's deficient handling of credit and fiduciary money comes into this category, as Bronfenbrenner has noted.¹ His handling of crises also falls under this heading and Napoleoni is justified in mentioning it as one of the chief problem areas of Marxist economic thought (Napoleoni, 1975, 5-6). Marx acknowledges the methodological difficulty in Theories of Surplus Value:

In so far as crises arise from changes in prices and revolutions in prices, which do not coincide with changes in the values of commodities, they naturally cannot be investigated during the examination of capital in general, in which the prices of commodities are assumed to be identical with the values of commodities. (2 TSV 515)

We are thus left with a variety of references to crises, mostly in writings not prepared for publication. However, there are two concentrations of material for a Marxian theory of crises. The first, from which the above quotation is taken, is the seventeenth chapter of Theories of Surplus Value, a critique of Ricardo's theory

1. M. Bronfenbrenner, 'Das Kapital for the Modern Man' in D Horowitz éd., Marx and Modern Economics, MacGibbon & Kee, London, 1970, 223.

of accumulation. The other concentration is to be found in Part Three of volume three of Capital - The Law of the Tendency of the Rate of Profit to Fall. These two concentrations form the basis for "two different lines" (Napoleoni, 1975, 6) in Marx's thought. The first refers to the recurrent possibility of a discrepancy between the production of surplus value and its realisation. The second refers to a long-run tendency which, if Marx's arguments were accepted, would supply the basis for a predictive conception of worsening crises, as indicated by Marx in Wage Labour and Capital. This has prompted Fine to state that "the anarchy of capitalist production makes crises possible, but a falling rate of profit makes them inevitable" (Fine, 1975, 58). A variant of this argument is provided by Yaffe, who maintains that although the crisis has to be explained by reference to specific conditions of credit and competition, the basis for that explanation is to be found in the general tendencies of accumulation and the long-run tendency of the rate of profit to fall.¹

The two lines of argument are conducted on two different levels - short-run possibility and long-run tendency, and Robinson has correctly observed that Marx did not bring them together in a coherent scheme (Robinson, 1979, xiii). As such, they will be examined separately in this thesis, with the falling rate of profit being examined in chapter six. The process of separation and selection poses hermeneutical problems, highlighted by Altvater's claim that Marx's crisis theory can only be understood as the whole three volumes of Capital, and that "any isolated culling of quotations in which the term 'crisis' occurs cannot do justice to Marx's methodology" (quoted in Kühne, 1979, 231). However, this injunction cannot be accepted, and it is certainly not consistent with the way in which Marx himself operated. His most sustained discussion of crises is actually contained in a section of Theories of Surplus Value in

1. D. Yaffe, 'The Marxian Theory of Crisis, Capital, and the State' in Economy and Society, vol. 2, no. 2, May 1973, 204.

which he quotes Ricardo extensively. Admittedly selective quotation can be used to distort or even substitute for a critical appraisal of an argument,¹ but this is in no way inevitable. Nor does examining what Marx has to say specifically about crises involve by necessity a misunderstanding of his whole enterprise. On the contrary it is illuminating as to his methodology, and in particular his use of the concept of contradiction.

Marx was completely dissatisfied with the treatment given to economic crises by his predecessors in political economy. Smith and Ricardo had little to say about crises, at least the crises which Marx considered emanated from within the productive and distributive system - the endogenous crises. Smith had written before the phenomenon became apparent:

Adam Smith did not yet know the phenomenon of over-production, and crises resulting from over-production. What he knew were only credit and money crises, which automatically appear, along with the credit and banking system. In fact he sees in the accumulation of capital an unqualified increase in the general wealth and well-being of the nation. (2 TSV 525)

Economic crises were a more observable feature in England in the first two decades of the 19th Century, but Ricardo explained them by alluding to purely exogenous factors:

Ricardo himself did not actually know anything of crises, of general crises of the world market, arising out of the production process itself. He could explain that the crises which occurred between 1800 and 1815 were caused by the rise in the price of corn due to poor harvests, by the devaluation of paper currency, the depreciation of colonial products, etc. because, in consequence of the continental blockade, the market was forcibly contracted for political and not economic reasons. He was also able to explain the crises after 1815, partly by a bad year and a shortage of corn, and partly by the fall in corn prices. (2 TSV 497)

1. Rousseas complains about this substitutionism among Marxist economists. S. Rousseas, Capitalism and Catastrophe: A Critical Appraisal of the Limits to Capitalism, Cambridge University Press, Cambridge, 1979, 3.

Marx is careful to criticise Ricardo for not understanding "general crises of the world market" as opposed to particular crises. Both Ricardo and Malthus allowed for the temporary disequilibrium of the system without emphasising exogenous factors.

The rigidity of the endogenous/exogenous classification of the causes of crises does scant justice to Marx's approach. Two examples from Capital illustrate Marx's appreciation of the totality of factors involved in the eruption of a crisis. In chapter 23 of the first volume he mentions the crisis in the cotton industry brought on by the American Civil War (1 CAP 720). The war itself is not regarded as an accidental intrusion into world exchange but as a necessary clash between two social systems based on incompatible systems of production (see MSE 351). In volume three Marx turns his attention to the 1847 crisis, and although he emphasises overproduction and the rising bank rate he observes that the impetus for the overproduction came from the opening up of the Chinese market after the Opium War of 1843, and he also states that the precipitant for the crash was the crop failure of 1846. Nevertheless Fine is correct when he states that although Marx allows for crises to originate outside the pure circuit of capital the causes of crises must nevertheless be placed within the economic system and "not in random events" (Fine, 1975, 51-2).

Marx accuses Ricardo of denying "the contradictions of bourgeois production which break out in crises" and failing to envisage that within the system of production there were "forms of production relations" which "enter into contradiction with, or enfeeble, the aim of production - abundance" (3 TSV 54-5). Ricardo and his contemporaries fail to see the possibility of crises arising from within the productive process because of their acceptance of "Say's Law", summed up by Marx as the assertion that "if one considers a nation ... then its production is its consumption" (CCPE 97) or "the proposition that products are exchanged against products" (2 TSV 493) denies the possibility of a glut and thereby renders overproduction theoretically impossible. Marx attaches

an insult to most of his mentions of Jean-Baptiste Say (1767-1832) - he calls him a "miserable individual" and "a humbug" (2 TSV 493) among a host of similar epithets - and it is clear that Marx regards James Mill as the originator of the theory that supply creates its own demand (2 TSV 493; 3 TSV 101), the basis of the notion of capitalist equilibrium prevalent until Keynes.

Marx's initial rejection of the law occurs in A Contribution to the Critique of Political Economy, in which he follows the Russian economist A.K. Storch (1766-1835) in opposing "Say's Law" because it ignores the fact that a nation cannot consume all it produces since it needs to set aside provision for the means of production (CCPE 199). The crucial point for Marx is that the supply=demand formula fails to take into account the separation of sale and purchase in space and time through the agency of money. Later, in Theories of Surplus Value, he comments that "the possibility of crisis ... lies solely in the separation of sale and purchase" (2 TSV 508).

It is in the process of rejecting "Say's Law" in its adopted form used by Ricardo and in its original version by James Mill that the dialectical method becomes apparent. After asserting that the contradictions of bourgeois production are revealed in crises he accuses the political economists who will not face up to the reality of period crises of clinging to "unity in the face of contradiction" (2 TSV 500). He then demonstrates his philosophical heritage in the following passage:

If, for example, purchase and sale - or the metamorphosis of commodities - represent the unity of two processes, or rather the movement of one process through two opposite phases, and thus essentially the unity of the two phases, the movement is essentially just as much the separation of these two phases and their becoming independent of each other. Since, however, they belong together, the independence of the two correlated aspects can only show itself forcibly, as a destructive process. It is just the crisis in which they assert their unity, the unity of the different aspects. The independence which these two linked and complementary phases assume in relation to each other is forcibly destroyed. Thus the crisis manifests the unity of the two phases which have become independent of each other.

There would be no crisis without this inner unity of factors that are apparently indifferent to each other. But no, says the apologetic economist. Because there is this unity, there can be no crises. Which in turn means nothing but that the unity of contradictory forces excludes contradiction.
(2 TSV 500-1)

This is a neat, effective, abstract argument. Purchase and sale are posited as the unity of two phases. In the metamorphosis of commodities - the quintessential precondition for capitalist development - the independence of the two phases, purchase and sale, takes place. Payments are deferred, credit is extended, liquid capital is hoarded, stock is held to force up prices. In other words, purchase and sale are separated in space and time. While this independence or separation takes place, it is not apparent so long as the system is expanding and confidence is high; in times of prosperity "the rignmarole of Say and others" (2 TSV 500) is used. The real separation of purchase and sale only becomes obvious at the onset of a crisis when firms go bankrupt and creditors cannot be paid. But in this crisis we also see a move towards the unity of purchase and sale, in the demand for cash payments and even, in severe crises characterised by hyperinflation, a relapse into barter.¹ When the political economists, therefore, argue that because there is unity there can be no crises, they are effectively denying the very basis of capitalist production, as Marx points out in the next sentence.

In part three of Theories of Surplus Value, after quoting from the section of James Mill's Elements of Political Economy in which Mill expounds the notion that supply must equal demand, Marx writes:

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1. A notable example in Hungary, where between August 1945 and July 1946 the inflation rate was 19,800 per cent. See W.A. Bromberger and G.E. Makinen, 'Indexation, Inflationary Finance, and Hyperinflation: The 1945-6 Hungarian Experience' in 88 Journal of Political Economy, June 1980, 552; I.T. Berend and G. Ranki, Hungary - a Century of Economic Development, David and Charles, Newton Abbot, 1974.

One sees here how the direct identity of demand and supply (hence the impossibility of a general glut) is proved. The product constitutes demand and the extent of this demand, moreover, is measured by the value of the product ... The logic is always the same. If a relationship includes opposites, it comprises not only opposites but also the unity of opposites. It is therefore a unity without opposites. This is Mill's logic, by which he eliminates the "contradictions". (3 TSV 101)

Marx uses an ostensibly dialectical argument to oppose those political economists who wished to "reason" crises "out of existence" (2 TSV 502). The possibility of crises is to be found, according to Marx, in the internal contradiction in the commodity form between exchange value and use value, externalised as the contradiction between commodity and money (2 TSV 509). However, Marx insists that explaining the possibility of crises in this abstract form does not explain their actuality - "it only implies that the framework for a crisis exists" (2 TSV 509). He criticises John Stuart Mill for trying to explain crises by their theoretical possibility, for the factors which explain the possibility of crises "by no means explain their actual occurrence" (2 TSV 502). They do not explain the specific reasons why capitalist growth has to be interrupted in this way at a particular phase in its development. Similarly, in a passage replete with the concept of contradiction he acknowledges the way in which J.C.L.S. de Sismondi (1773-1842) perceives the contradictions of capitalism but he criticises him for not "understanding" them and attempting to ameliorate the worst effects by suggesting various reforms, including state intervention. Nevertheless, he considers Sismondi to be the first economist to glimpse the disequilibrium and transitoriness of capitalism. Sismondi has "an inkling ... that the bourgeois forms are only transitory and contradictory forms, in which wealth attains only an antithetical existence and appears everywhere simultaneously as its opposite. It is wealth which always has poverty as its prerequisite and only develops by developing property as well" (3 TSV 56).

DESCRIPTIONS

Before looking at Marx's attempts to determine the causes of crises it is as well to look briefly at his consideration of the main features of crises, some of which have been mentioned in passing. The first evidence of a crisis is the decline in the reproduction of capital (2 CAP 156-7). The destruction of capital mentioned in the Manifesto is enlarged upon in Theories of Surplus Value, in which two aspects are distinguished (2 TSV 495-6), the first being physical destruction such as rotting commodities and rusting machinery, the second being the depreciation of values as an effect of the fall in prices of the commodities. This is a destruction of exchange values rather than use values, and Marx observes that it is a period when the moneyed interest "enriches itself" at the expense of the industrial interest. Inflationary crises were unknown to Marx. However, he does state that crises are usually preceded by inflation (2 TSV 505). He also observes that business is always "sound" before the "debacle" (3 CAP 485) and that wages usually rise before a crisis (2 CAP 486). Once the crisis has broken, however, wages are lowered, and in the lecture notes which did not find their way into Wage Labour and Capital he describes the effect this has on decreasing demand and raising unemployment (6 MECW 424-5).

In the Theories of Surplus Value he distinguishes between two abstract forms of crisis, emanating from the commodity metamorphosis (separation of purchase and sale) and from money as a means of payment (2 TSV 510, 492-3). However, in Capital he stresses the inter-connectness of monetary and productive crises (3 CAP 490 cf. 2 CAP 392-3). For a crisis to be general it is sufficient, according to Marx, to affect the principal commercial goods. Marx's example of "knock-on" effects of difficulties in the cotton industry (2 TSV 522-3) provides an excellent account of the transition from partial to general crisis, as Howard and King have mentioned (Howard, 1975, 218).

UNDERCONSUMPTION/OVERPRODUCTION

The best known utterance from Marx on the cause of crises is to be

found in the third volume of Capital:

The ultimate reason for all real crises always remains the poverty and restricted consumption of the masses as opposed to the drive of capitalist production to develop the productive forces as though only the absolute consuming power of society constituted their limit.
(3 CAP 484)

This tends to support an "under-consumption" theory of crises, which will be discussed below. However, it must be remembered that the passage is taken from Part five of volume three, which Engels, in his Preface to the first edition, admits was comprised from a "disorderly mass of notes" (3 CAP 4). Kühne comments that the under-consumption argument constitutes the standard Marxian explanation of crises, even though it is based on "a single, rather isolated passage" (Kühne, 1979, 193). There is another quite definite statement by Marx as to the major cause of crises, in which he stresses the limited social basis of capitalist production but makes no specific mention of under-consumption:

The fact that bourgeois production is compelled by its own immanent laws, on the one hand, to develop the productive forces as if production did not take place on a narrow, restricted social foundation, while, on the other hand, it can develop these forces only within these narrow limits, is the deepest and most hidden cause of crises, of the crying contradictions within which bourgeois production is carried on and which, even at a cursory glance, reveal it as only a transitional, historical form. (3 TSV 84)

Here there is an implication that beyond the "narrow limits" there is the barrier of the restricted consumption of the mass of the population. This general contradiction is postulated in the second part of Theories of Surplus Value:

But the whole process of accumulation in the first place resolves itself into production on an expanding scale, which on the one hand corresponds to the natural growth of the population, and on the other hand, forms an inherent basis for the phenomena which appear during crises. The criterion of this expansion of production is capital itself, the existing level of the conditions of production and the unlimited desire of the capitalists to enrich themselves and to enlarge their capital, but by no means consumption, which from the outset is inhibited, since the majority of the population, the working people, can only expand their consumption within very

narrow limits ... (2 TSV 492)

While Marx does not stress the consumption problem at the expense of the production factor, the problem as a whole is expressed in terms of the realisation of surplus value and this may be regarded as the hallmark of under-consumptionist theory.

In its most basic form the theory holds that there must always be inadequate demand because the workers cannot consume all that they produce, as the driving force of capitalist production is the maximisation of surplus value. This idea was adumbrated by Malthus in his Principles of Political Economy, in which he wrote that there could never be an adequate demand, as this would mean no profit and consequently no motive to produce - "the very existence of a profit upon any commodity presupposes a demand exterior to that of the labour which has produced it" (quoted in 3 TSV 57). Marx supplies an additional quotation from the same work in which Malthus denies the desirability of an increase in the consumption of the workers as this would raise costs and diminish profits. Malthus's answer to this paradox is the continued maintenance of unproductive consumer groups such as the Church and the State. A similar suggestion by Thomas Chalmers, regarding the Church as useful consumer of the surplus product, is derided by Marx in the third volume of *Capital* (3 CAP 246).

Among the first socialist economists to formulate an under-consumptionist theory of crises was Karl Rodbertus. Attracted by some of the ideas espoused by Fichte in The Closed Commercial State,¹ he advocated a progressive intervention in the economy by the State. This regulation of the economy would eliminate periodic crises and ameliorate the low living standards of the workers, thereby rendering the abolition of private property unnecessary:

1. John Dewey, German Philosophy and Politics, Henry Holt, New York, 1915, 76, speaks of the "profound" influence which Fichte's ideas exerted on the state socialism of Lassalle and Rodbertus.

Property, then, under such a condition of things, would not disappear, but only be reduced strictly to its proper and original principle. And there can be no doubt that an economic organisation of national production, as well as of distribution of the national product conformable to such a state of law, could be carried out ... there would have to be a public authority which would undertake to direct the national production in accordance with national needs.¹

This was written in 1850-51 and brought to Marx's attention in letters by Lassalle and Engels shortly after publication,² but Marx only appears interested in that aspect of the work dealing with rent, which he considers "important" (3 CAP 778n) and which he criticises at length in Theories of Surplus Value. Nevertheless, Marx states that Rodbertus "sees through the nature of capitalist production" (1 CAP 669n).³

Referring to underconsumptionism, Mandel (1974, 361) makes the point that "an idea like this does not explain why crises have to occur - it would rather serve to explain the permanence of overproduction, the impossibility of capitalism." Marx recognises that some economists, such as Ure and Corbet, had accepted the permanence of over-production in a purely domestic market, but considered that this only leads to crises when the foreign market also contracts (2 TSV 498).

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1. K Rodbertus, Overproduction and Crises, trans. J. Franklin, Swan Sonnenschein, London, 1898, 79-80.
 2. See T. Carver, Preface to Marx's Texts on Method, Basil Blackwell, Oxford, 1975, 17-8.
 3. Rodbertus accused Marx of plagiarising his ideas on surplus value. Engels rebuts the accusation in his 1884 preface to the second volume of Capital (2 CAP 87ff.) and the 1884 preface to Marx's The Poverty of Philosophy, Progress, Moscow, 1973, 5ff.

Marx certainly regarded foreign trade as a means of maintaining buoyancy, and he argues that it is a counteracting influence on the tendency of the rate of profit to fall (see below, 151). He also accepts that shrinking foreign trade can provoke a crisis:

The crisis occurs when the returns of merchants who sell in distant markets become so slow and meagre that the banks press for payment, or promisory notes for purchased commodities become due before the latter have been resold. The forced sales take place, sales in order to meet payments. Then comes the crash, which brings the illusory prosperity to an abrupt end. (3 CAP 305)

The view that capitalism would stagnate without this trade, or, more particularly, trade with non-capitalist markets, is later developed by Rosa Luxemburg, for whom "the decisive fact is that the surplus value cannot be realised by sale either to workers or to capitalists, but only if it is sold to such social organisations or strata whose own mode of production is not capitalistic."¹ At first sight this appears to contradict the scheme for expanded accumulation set down in the second volume of Capital, which appears to demonstrate the possibility of infinite growth and stability. However, as Luxemburg points out, Marx's figures are arbitrary.² He is really doing no more than showing the theoretical possibility of stable growth, and the rest of his political economy shows how impossible this is to achieve in practice.

In the second part of Theories of Surplus Value, in the process of attacking those political economists who denied the possibility of over-production he states:

The mere admission that the market must expand with production is, on the other hand, again an admission of the possibility of over-production, for the market is limited externally in the geographical sense, the internal market is limited as compared with a market that is both internal and external. the latter in turn is limited as compared with the world market, which, however is, in turn, limited

1. R. Luxemburg, The Accumulation of Capital, Routledge & Kegan Paul, London, 1971, 351-2.

2. Ibid., 122.

at each moment of time, though in itself capable of expansion. The admission that the market must expand if there is to be no over-production, is therefore also an admission that there can be over-production. For it is then possible - since market and production are two independent factors - that the expansion of one does not correspond with the expansion of the other; that the limits of the market are not extended rapidly enough for production, or that new markets ... may be rapidly outpaced by production, so that the expanded market becomes just as much a barrier as the narrower market was formerly. (2 TSV 524-5).

It should be noted that Marx does deal with the consumption of the bourgeoisie in the second volume of Capital, where he notes a decrease in the demand for luxury goods during crises and an increase in demand for them during periods of prosperity (2 CAP 486). During this discussion Marx makes an attack on one aspect of the Rodbertian theory of under-consumption:

It is a pure tautology to say that crises are provoked by a lack of effective demand or effective consumption. The capitalist system does not recognise any forms of consumer other than those who can pay, if we exclude the consumption of paupers and swindlers. The fact that commodities are unsaleable means no more than that no effective buyers have been found for them, i.e. no consumers ... If the attempt is made to give this tautology the semblance of greater profundity, by the statement that the working class receives too small a portion of its own product, and that the evil would be remedied if it received a bigger share, i.e. if its wages rose, we need only note that crises are always prepared by a period in which wages generally rise, and the working class actually does receive a greater share in the part of the annual product destined for consumption. From the standpoint of these advocates of "sound and simple"(!) common sense, such periods should rather avert the crises. (2 CAP 486)

The political implications of the Rodbertian suggestion are significant. By the single act of increasing wages capitalism might be stabilised and the condition of the workers improved. However, Malthus's objection obtains, for the effect of increased wages would be to raise costs. It was left for Keynes to suggest an increase in the consuming power of the working people without the requirement that individual capitalists should raise wages - by increasing public expenditure funded by deficit budgeting. Thus the creation of "new" money offsets the condition for the possibility of crises which, according to Marx, lies in hoarding.

However, the adoption of the Keynesian "solution" has not prevented new crises from erupting.

Marx, then, rejects the under-consumptionist argument that crises can be averted by changes in the system of distribution, but he did accept that restricted consumption was a major factor in a chronic tendency to over-produce which could erupt into crisis when a variety of factors disturbed confidence. Marx talks more often of over-production than of under-consumption, because he wished to stress that the origins of the problem are to be found within the system of production rather than the system of distribution. Yet the term "over-production" did not satisfy Marx because it implied that there could be an excess of products in relation to the need for them, as opposed to the ability or willingness to pay for them (2 TSV 527).

DISPROPORTIONALITY

Marx is convinced as to the general disequilibrium of the capitalist mode of production, and he introduces ideas on disproportionality in order to come to a closer understanding of the specific factors which trigger crises. He mentions that a disproportional allocation of money may be forced on the capitalist by an increase in the value of raw materials, perhaps due to an increase in their scarcity. In this case the volume of the raw material decreases, its value increases, and more money must be spent to acquire the same amount. Less money remains to purchase labour and reproduction therefore cannot take place on the same scale. Men are thrown out of work as the crisis breaks. If the price rise is passed on, then demand for other goods would diminish and over-production would ensue. The same effect would follow if too much surplus is invested in new machinery and the old quantity of raw material is insufficient to meet the new level of production; this is the result of "the disproportionate conversion of additional capital into its various elements" (2 TSV 516).

Marx also speaks of the disproportion arising from the "competition

of capitals" (2 TSV 521) in different sectors of the economy, during which capital may be transferred from one branch of production to another, the equalisation process sparking partial crises.

More serious disruption can result from the emergence of disproportion between the capital goods sector (Department 1) and the consumer goods sector (Department 2). Although his scheme of expanded reproduction involves uninterrupted growth, the unlikelihood of so many factors balancing at the same time emphasises the tenuity of the equilibrium model. Towards the end of the second volume of Capital he explains that crises can occur even when reproduction is conducted with the best possible responses from the individual or group decision-makers. Fixed capital in one sector becomes defunct and requires replacement on a scale greater than in previous years; this can result in shifts in demand of an unexpected magnitude, throwing the whole productive system into imbalance (2 CAP 542-5). In making this observation Marx anticipates what came to be known as the "accelerator principle".¹ In this respect Marx gets closest to explaining the inevitability of crises arising from the anarchy of capitalist production; the fact that decisions are made by individuals in response to certain signals even though the collective effect of these decisions will be a crisis:

A disproportionate production of fixed and circulating capital is a factor much favoured by the economists in their explanation of crises. It is something new to them that a disproportion of this kind can and must arise from the mere maintenance of the fixed capital; that it can and must arise on the assumption of an ideal normal production, with simple reproduction of the social capital already functioning. (2 CAP 545)

The idea of re-equipment triggering a crisis of disproportionality led Marx to a general comment on the periodicity of the business cycle:

1. Good examples of this principle can be found in Kühne, (1979, 210) and Mandel (1974, 353).

We can assume that, for the most important branches of large scale industry, this life-cycle is now on average a ten year one. The precise figure is not important here. The result is that the cycle of related turnovers, extending over a number of years, within which the capital is confined by its fixed component, is one of the material foundations for the periodic crises (2 CAP 264)

Although this periodisation was accurate in Marx's lifetime, he knew nothing about long waves of capitalist development, involving major depressions every fifty years or so. Kondratiev, one of the earliest long wave theorists did, however, stress the causal importance of the "replacement and expansion of fixed capital goods which require a long period of time and enormous expenditures to produce."¹

THE CONTRADICTIONS OF CAPITALISM

Marx's dialectic is clearly demonstrated in his work on economic crises, which are seen as both the collective eruption of "all the contradictions of bourgeois production" (2 TSV 534) and "the forcible solutions of the existing contradictions" (3 CAP 249). The contradictions are expressed in both empirical and theoretical terms. Empirically, Marx stresses the constant thwarting of the aims of investors, not because of mistakes on their part, but because of the incapacity of the system to achieve uninterrupted expansion. This is particularly evident in the reviews from the Neue Rheinische Zeitung. When discussing the possibility of crises he emphasises the theoretical contradictions present in the metamorphosis of commodities as the basis for his refutation of Ricardo and his followers.

His denunciation of their attempts to "reason away" these contradictions (2 TSV 495 and 502) is made on the same basis as his attack on Hegel for his failure to face up to real contradictions (see above, 57-8). He compares the attempts of the political economists to overcome apparent contradictions to the practice of exorcism:

1. Quoted in Day, op. cit., 76.

Every reason which they put forward against crisis is an exorcised contradiction, and, therefore, a real contradiction, which can cause crises. The desire to convince oneself of the non-existence of contradictions, is at the same time the expression of a pious wish that the contradictions, which are really present, should not exist. (2 TSV 519)

The "exorcism" of the contradiction takes place in the name of equilibrium, or the "invisible hand", but in facing the contradiction the political economists acknowledge its reality.

Even though the crisis itself might be regarded as a solution of certain contradictions, preventing the system from "committing suicide" (GR 750), it is a costly and ephemeral solution, and the general theoretical contradiction of the system is bound to reassert itself. Marx's reference to crises being a reconciliation of contradictions "by the violent fusion of disconnected factors" (3 TSV 120) indicates that he has no theory of the collapse of capitalism purely through economic breakdown. As Trotsky has commented, "the fact that capitalism continues to oscillate cyclically ... signifies that capitalism is not yet dead, that we are not dealing with a corpse."¹ Attempts to attribute a breakdown theory to Marx lead to a neglect of the social and political factors which are crucial in the struggle for socialism.²

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1. L Trotsky, The First Five Years of the Communist International, vol. one trans. J. Wright, New Park, London, 1973, 252.
 2. Geoffrey Kay makes a similar point in 'The Falling Rate of Profit, Unemployment and Crisis' in 6 Critique, Spring, 1976 - "Marxist economists have denied themselves any possibility for systematically analysing the class struggle in its concrete forms, and lifting the problem of the political organisation of the working class out of the limbo of ideological rhetoric." 75.

CHAPTER SIX

THE FALLING RATE OF PROFIT

In the preceding chapter it became evident that Marx's work on the tendency of the rate of profit to fall is potentially of great importance in his exposition of the ineluctable traps set for itself by capitalist accumulation. In the last of the three chapters devoted to the tendency in the third volume of Capital Marx makes some of his most general and explicit conclusions on the contradictory nature of capitalism. The conclusions are substantially the same as the developmental contradiction first expressed in 1846, but this time they are not based on impressions or preliminary investigations, but on an analysis of capitalist accumulation which he had conducted over a period of some 20 years. As these conclusions rest on his assertion of the tendency, his work in this area clearly merits investigation.

His first mention of the falling rate of profit occurs in the seventh notebook of the Grundrisse, in the form of a brief summary of general laws of capitalist development. He presupposes a fixed rate of surplus value and concludes that the rate of profit depends on the relation between the part of capital exchanged for living labour and the part given over to raw materials and the means of production. The smaller the portion given to living labour, the smaller becomes the rate of profit (GR 747). This is the basic "law" later enunciated in chapter 13 of the third volume of Capital. In the winter of 1857-58 Marx considered the declining rate of profit to be "in every respect the most important law of modern political economy" (GR 748). He admits its simplicity but claims that it has never before been grasped. There is no careful examination of the law and its possible weaknesses, and Marx is more intent on stressing its significance in relation to the contradictions of capitalism which manifest themselves in "crises, spasms, explosions, cataclysms" (GR 749-50).

There is a brief mention of factors which might delay the fall in the rate of profit in this section of the Grundrisse, but these in no way question the validity of the law itself and are dealt with only cursorily. However, it is interesting that Marx draws attention to the importance of the unproductive waste of capital, for contemporary Marxists have stressed this factor in accounting for the recovery of capitalism in the 1950's and early 1960's.¹ He also mentions the possibility of fiscal policy coming to the aid of the system, but this is not developed here or elsewhere.

The concluding part of this section of the Grundrisse deals with the efforts of previous political economists to deal with the apparently unquestioned phenomenon of the falling rate of profit. After a brief mention of Adam Smith he talks at greater length of Ricardo's contribution to the problem and then dismisses the attempts of Bastiat - "in whose harmonic brain all cows are grey" (GR 758) to show that the decline in the rate of profit was equal to the increase in the rate of wages.

CLASSICAL POLITICAL ECONOMY AND THE LAW

Smith believed that the rate of profit would decline as a result of the competition between capitals. In chapter nine of The Wealth of Nations (1776) he deals with 'Profits of Stock' and uses the example of the large profits to be made in a new colony to illustrate his view that while large profits are possible in the initial stages of capitalist development, they begin to fall as soon as competition develops (Smith, 1977, 195). He also believes that falling interest rates are a clear indication of falling profits:

1. For example, Paul Baran, The Political Economy of Growth, Penguin, Harmondsworth, 1973; Michael Kidron, Western Capitalism Since the War, Penguin, Harmondsworth, 1970; Ernest Mandel, Late Capitalism, New Left Books, London, 1976.

It may be laid down as a maxim, that wherever a great deal can be made by the use of money, a great deal will be commonly given for the use of it; and that wherever little can be made of it, less will commonly be given for it ... The progress of interest, therefore, may lead us to form some notion of the progress of profit. (Smith, 1977, 191)

Marx is not satisfied with Smith's explanation of falling profit rates - "to try to explain them simply as results of competition therefore means to concede that one does not understand them" (GR 752). Marx approvingly quotes Ricardo as stating that competition as such can equalise the rate of profit but cannot depress the average rate. Ricardo, in the sixth chapter of Principles of Political Economy and Taxation is concerned about the falling rate, which he attributes to the growing scarcity of land in relation to the rising population. The price of foodstuffs rises and causes a rise in wages, while rents also rise. The argument, redolent of the Malthusian argument first expressed in Essay on the Principle of Population, is rejected by Marx on the grounds that developments in agricultural production are sufficient to cope with the increase in population (GR 754).

John Stuart Mill comes closer to Marx's eventual formulation of the tendency in book four, chapter four of his Principles of Political Economy. He concurs with Ricardo on the subject of agricultural scarcity (Mill, 1909, 733) but goes much further by stressing the importance of rising accumulation:

When a country has long possessed a large production, and a large net income to make savings from, and when, therefore, the means have long existed of making a great annual addition to capital; ... it is one of the characteristics of such a country, that the rate of profit is habitually within, as it were, a hand's breadth of the minimum, and the country therefore on the very verge of the stationary state ... it would require but a short time to reduce profits to the minimum, if capital continued to increase at its present rate, and no circumstances having a tendency to raise the rate or profit occurred in the meantime. (Mill, 1909, 731).

Mill then deals with the "counteracting circumstances". Improvements in production and the cheapening of imported raw materials are not

considered sufficient to halt the decline in the rate of profit, and Mill maintains the necessity of increased export of capital and the periodic destruction of capital (Mill, 1909, 740).

MARX'S FORMULATION

It is apparent from the Grundrisse that the law of the tendency of the rate of profit to fall was to be used by Marx as the strongest possible proof of the chronic instability of the capitalist mode of production. In accordance with his plan, the exposition would take place in the third volume of Capital, the first drafts of which were written between 1863 and 1867. Although Marx did not get beyond writing a first draft, Engels states in his Preface that in the part of the book dealing with the falling rate of profit he was "able to follow the original manuscript almost throughout" (3 CAP 3-4) in his task as editor. Many of the factors involved in the law are discussed in chapter 23 of the first volume of Capital, and this is acknowledged by Marx a few months after its publication, in a letter to Engels:

The tendency of the rate of profit to fall as society progresses. This follows from what has been said in ... Book I on the changes in the composition of capital following the development of the social productive forces. This is one of the greatest triumphs over the pons asinorum of all previous economics. (MESCS 194)

The Law comprises three chapters which make up the third part of volume three. Chapter 13 deals with 'The Law as Such', chapter 14 with 'Counteracting Influences' and chapter 15 with an "Exposition of the Internal Contradictions of the Law'.

Early in volume three Marx establishes the distinction between the rate of surplus value $\frac{s}{v}$ and the rate of profit $= \frac{s}{c+v}$ or $\frac{s}{C}$ where s = surplus value, v = value accruing to variable capital, c = value accruing to constant capital, which includes plant, machinery and raw materials, and $C = c + v$. The amounts are advanced over a given period of time. On the first page of chapter 13 it is assumed that s and v remain constant, so that when c is increased the rate of profit

necessarily falls; he supplies five mathematical examples of this. The growth of constant capital in relation to variable capital is termed an increase in the organic composition of capital ($\frac{C}{V}$). Constant capital grows in this way because it increases the productivity of the workers - more commodities are produced by the same number of workers in the same time. This leads to a cheapening in the value of commodities, enabling the capitalist to improve his competitive position, but it also leads to a reduction in the rate of profit. Marx explains the basic law:

If it is further assumed that this gradual change in the composition of capital is not confined only to individual spheres of production, but that it occurs more or less in all, or at least in the key spheres of production, so that it involves changes in the average organic composition of the total capital of a certain society, then the gradual growth of constant capital in relation to variable capital must necessarily lead to a gradual fall of the general rate of profit, so long as the rate of surplus-value, or the intensity of exploitation of labour by capital, remain the same. (3 CAP 212)

The argument is simple - when $\frac{S}{V}$ is constant and $\frac{C}{V}$ is rising, $\frac{s}{c+v}$ is falling. In this chapter Marx also points to the increasing concentration of capitals induced by the need for larger investments. Fewer and larger firms may be able to make a greater mass of profit but the rate will continue to decline:

Political economy, which has until now been unable to explain the law of the tendency of the rate of profit to fall, pointed self-consolingly to the increasing mass of profit. (3 CAP 223)

The statement of the law operates at a high level of abstraction, and Marx spends some of this chapter and all of chapter 14 in dealing with factors which may vitiate its operation. However, Marx insists that "the hypothetical series drawn up at the beginning of this chapter expresses ... the actual tendency of capitalist production" (3 CAP 212).

In chapter 14 six counteracting influences are discussed. First, the increasing intensity of exploitation, particularly by the lengthening of the working day and the employment of female and child labour. Second, depression of wages below the value of labour power; third, the

cheapening of the elements of constant capital; fourth, relative over-population, based on an assertion by Marx that in the development of capitalism labour intensive luxury good industries develop to take advantage of cheap and abundant labour; fifth, foreign trade; sixth, the increase of stock capital, by which Marx means those shares which reap dividends at a lower than average rate of profit. This last factor is considered as a supplementary point. Chapter 14 is designed to bring the basic law into the light of reality and, as such, the law becomes a tendency. Marx considers that a general law might be verified (or falsified) by short or medium term analysis, whereas the tendency indicates a long-term phenomenon:

There must be some counteracting influences at work, which cross and annul the effect of the general law, and which give it merely the characteristic of a tendency, for which reason we have referred to the fall of the general rate of profit as a tendency to fall. (3 CAP 232).

This is an important qualification by Marx, for it means that empirical investigations into the rate of profit cannot be regarded as a test of a "law". This may well be the reason for the scarcity of such studies, the only comprehensive published one being Joseph Gillman's The Falling Rate of Profit (1957), examining the United States. Fine and Harris suggest that the law should be expressed as "the law of the tendency of the rate of profit to fall and its counteracting influences" (Fine and Harris, 1979, 64), but this by no means renders it useless as an analytical guide. Even when counteracting influences overcome the tendency, it should be possible to examine which of them has had the decisive influence, and for what reason, and with what ramifications, the latter being crucial in the development of a political strategy seeking the abolition of private property.

The title of chapter 15 - 'Exposition of the Internal Contradictions of the Law' - is misleading, for it suggests a critical examination of the premises of the law (which Marx has already amended to a tendency). No such auto-critique is undertaken, for a more appropriate title would

reveal that the chapter deals with the contradictions of the capitalist mode of production exposed by the tendency. These contradictions will be examined in the conclusion of this chapter.

* * *

Most of the criticisms levelled against the theory of the tendency surround two points. The first is the assumption that the rate of exploitation remains constant and the second is the presumption that the replacement of labour by machinery necessarily leads to an increase in constant capital in value terms. Before examining these factors a more general criticism concerning the logicity of the theory should be dealt with. M. Howard and J.E. King write:

.... if capitalists behave rationally (as, according to Marx, they do); if there is only one non-reproducible input, labour (thus excluding any Ricardian factors operating to reduce the rate of profit, as they are excluded in Marx's own argument); if the wage is fixed (as it is by the reserve army); and if the economy is closed (to which Marx would not object, since for him foreign trade functions only as a "counteracting influence"); then the system will never proceed beyond the point where the rate of profit begins to fall, or, more strictly, the system will revert to the technology in operation before the rate of profit began to fall. (Howard and King, 1975, 207).

A number of errors are committed here. One of the postulates - a closed economy - is absurd, since at the end of chapter 15 Marx states that the creation of the world market is one of "three cardinal facts of capitalist production" (3 CAP 266). In the Grundrisse Marx asserts that all the contradictions of capitalism come into play in the world market, which "forms the presupposition of the whole as well as its substratum" (GR 227-8).

The claim that Marx would not object to the postulate because he treated foreign trade as a counteracting influence misunderstands Marx's method of exposition. In chapter 13 Marx sets down the basis for his theory in a form of a set of postulates which are either based on observation e.g. that in the development of capitalism there is a progressive introduction of labour saving machinery (irrespective of

the value), or which are possible in the capitalist mode of production. Where Marx can be criticised in relation to the second claim is in his presumption of a constant rate of exploitation, but this point is answered in chapter 13 and is not treated as a counteracting influence; early in the chapter he comments that the rising organic composition of the total capital (c increasing in proportion to v) will lead to a falling rate of profit even allowing for a rising rate of exploitation (3 CAP 213). This point is completely missed by Dickinson, who claims that the possibility of an increase in the rate of surplus value is dealt with as a counteracting influence (Dickinson, 1956-7, 122).

Meek corrects this error but contends that Marx is being methodologically inconsistent by relegating the other major problem among the postulates, the value of the constant capital, to the chapter on counteracting influences:

It does seem fair to complain that whereas the fall in the value of elements of variable capital is in effect taken into account by Marx in his basic chapter in 'The Law as Such', the fall in the value of the elements of constant capital is treated merely as one of the 'counteracting influences' (Meek, 1976, 209).

However, if it is accepted that Marx's postulates are based on either observation or possibility, the inconsistency disappears. It is clearly possible that an increase in capital intensity be reflected in an increased organic composition expressed in terms of value - indeed it seems deceptively probable. On the other hand, assuming a constant rate of surplus value would raise serious doubts about the observation that there is a relative increase in constant capital, for one of the purposes of such an increase is to raise the rate of surplus value, or the intensity of exploitation. Marx has to deal with this problem early on, otherwise his theory is a non-starter.

Having defended Marx against this criticism, it has to be said that he does in fact give a solitary mention to the possibility of a cheapening (in value terms) of constant capital in the chapter on 'The Law as Such':

The rate of profit could even rise if a rise in the rate of surplus value were accompanied by a substantial reduction in the value of the elements of constant, and particularly of fixed, capital. But in reality, as we have seen, the rate of profit will fall in the long run. (3 CAP 230).

The totally unsatisfactory veil which Marx draws over this possibility is indicative of the discomfort with which the argument stands in this chapter. Rolf Güsten writes that "it ill becomes a theorist of Marx's rank to appeal to "reality" at the decisive moment of his abstract analysis" (quoted in Kühne, 1979, 168).

To revert to the postulates of Howard and King; they are based neither on observation nor on possibility. The closed economy is simply incompatible with the development of the capitalist mode of production. Furthermore, the remark about the rational behaviour of capitalists appears to conflate short term expectations with long term effects, and the inducements to particular capitalists with the effects on the capitalist class as a whole. Much of the chapter on 'The Law as Such' is devoted to demonstrating that the fall in the rate of profit is accompanied by a rise in the mass of profit which accrues to larger and larger firms:

The number of labourers employed by capital, hence the absolute mass of the labour set in motion by it, and therefore the absolute mass of surplus-labour absorbed by it, the mass of the surplus value produced by it, can, consequently, increase, and increase progressively, in spite of the progressive drop in the rate of profit. And this not only can be so. Aside from temporary fluctuations it must be so, on the basis of capitalist production. (3 CAP 218).

Howard and King assume that the individual capitalist is motivated entirely by the possibility of an increased rate of profit, but this ignores the important factor of competition, for new technology cheapens products and presents the innovator with a short-term advantage which enables him to either swallow up his competitors by selling cheaply, or pocket a short-term increase in his rate of profit. Marx uses the latter example but warns that the new method of production soon becomes general and the rate of profit then falls - "wholly independent of the

will of the capitalist" (3 CAP 264-5). If capitalists did not innovate, or even tried to revert to old technology (the practical difficulties of which would be enormous) as Howard and King suggest, they would be swallowed up and left to dwell on their own irrationality.

A CONSTANT RATE OF SURPLUS VALUE?

In the simple mathematical statement of the law of the falling rate of profit Marx assumes a constant rate of surplus value, and this throws into doubt the whole raison d'etre of investment in new technology. Gillman poses the question:

How can we assume a constant rate of surplus-value, with a rising organic composition of capital, when the very purpose of the increase of the organic composition of capital is to increase the productivity ... of labour, reduce unit wage costs, and thus raise both the mass and the rate of surplus value? (Gillman, 1957, 20)

We have already noted two occasions in the chapter on 'The Law as Such' in which Marx allows for the possibility of an increase in the rate of surplus value. He mentions the possibility on two other occasions in the chapter when referring to movements of the mass of profits contained in individual commodities (3 CAP 226, 229). As Balinky has pointed out, Marx's acceptance of a varying rate of surplus value invalidates the mathematical presentation:

In the final analysis, Marx avoided the easy arithmetical proof of the "law" of the falling rate of profits which can be made to follow from the erroneous assumption of an unchanging rate of surplus value. He admitted the fact and coped with the problem that technological improvement means a higher order of the organic composition of capital; which, in turn, causes the rate of surplus value to vary ... Marx's use of the word "law" in relation to the predicted fall in the general profit rate carries with it an element of poetic license. (Balinky, 1970, 129).

We have seen that Marx, with one exception, abandons the word "law" in favour of "tendency", despite the title of part three of volume three, and therefore he has no need of "poetic license". However, does not the

abandonment of a constant rate of surplus value invalidate the theory of the tendency? Marx claims that the tendency still operates despite an increase in the rate of surplus value; therefore there must be a limit to the extent to which an increase in the rate of surplus value compensates for the relative increase in the value of constant capital. He deals with this in chapter 15:

Inasmuch as the development of the productive forces reduces the paid portion of employed labour, it raises the surplus value, because it raises its rate; but inasmuch as it reduces the total mass of labour employed by a given capital, it reduces the factor of the number by which the rate of surplus value is multiplied to obtain its mass. Two labourers, each working 12 hours daily, cannot produce the same mass of surplus-value as 24 who work only two hours, even if they could live on air and hence did not have to work for themselves at all. In this respect, then, the compensation of the reduced number of labourers by intensifying the degree of exploitation has certain insurmountable limits. It may, for this reason, well check the fall in the rate of profit, but cannot prevent it altogether. (3 CAP 247)

Robinson's attack on Marx's theory concerns this point. Firstly she assumes that the new technology increases productivity, in which case a constant rate of exploitation means an increase in real wages, which Marx denies. Then she considers that productivity rises and real wages remain constant, in which case the rate of exploitation must rise. She accuses Marx of overlooking "a drastic inconsistency" and being in confusion over the point, as demonstrated when "he switches over in the middle of the argument to discussing the effect of changing the length of the working day" (Robinson, 1976, 36-9); (this refers to the last quoted passage from Marx). Now the only way Marx can uphold his theory and at the same time allow for an increase in the rate of surplus value is to show that such an increase is not, in the long term, going to prevent the decline of the rate of profit. And he does this by supplying an example of the physical difficulty of increasing the rate of surplus value to the extent that it would compensate the effect on the rate of profit of the relative increase in constant capital. He also employs this procedure in the

first volume of Capital (1 CAP 419)¹ and although it is an argument which would greatly benefit from empirical evidence, it is logically sound and certainly not confused.

A CHEAPENING IN THE VALUE OF CONSTANT CAPITAL?

When talking about a relative growth of constant capital, Marx is, of course, referring to its value, which is not to be confused with its material growth - "the material growth of the constant capital implies only a growth - albeit not in the same proportion - in its value" (3 CAP 212). The validity of this implication is crucial to the validity of the tendency. We have seen that he mentions the possibility that the rate of profit might rise if a rise in the rate of surplus value is accompanied by a substantial reduction in the value of constant capital, particularly fixed (technology) capital. In the chapter on 'The Law as Such' he dismisses this possibility as impractical. Even when discussing the possibility of the cheapening (in terms of value) of constant capital as the third of his counteracting influences in chapter 14 the problem is identified but its scope is not accorded proper consideration:

.... the same development which increases the mass of the constant capital in relation to the variable reduces the value of its elements as a result of the increased productivity of labour, and therefore ... prevents the value of constant capital, although it continually increases, from increasing at the same rate as its material volume, i.e. the material volume of the means of production set in motion by the same amount of labour-power. In isolated cases the mass of the elements of constant capital may even increase, while its value remains the same, or falls (3 CAP 236).

Marx accepts that greater productivity will lead to the value of the constant capital rising less quickly than its volume, and although he states that the value will nevertheless rise continuously, he also accepts

1. A useful supportive illustration is supplied by Meek (1976, 217-8)

that there may be occasions when it falls. More than that is not to be found in his writings, and it is a weakness in his presentation.¹

It has also been a weakness in Marxist economic theory since Marx. Christiansen rightly points out the need to analyse the development of the organic composition of capital (the proportion of constant to variable capital, expressed in value terms):

An understanding of the long-run development of the organic composition of capital and the rate of surplus value can only come out of a concrete historical analysis of the nature of technology and technical change under capitalism. (Christiansen, 1976, 23).

Mandel has emphasised the difficulties involved in such an analysis, not least of which is the transformation problem from prices to values. In price terms, Mandel maintains that the calculation of the organic composition of capital would entail the price of equipment currently used, plus the extra costs of raw materials and energy, divided by wages, but he considers that only the wages of productive labour must be taken into account, rendering Gross National Product figures inadequate (Mandel, 1980, 83). However, Mandel reiterates a challenge made in Late Capitalism based on less stringent criteria but suggesting a good prima facie case for Marx's argument that the organic composition of capital will rise. He asks those who deny the validity of the tendency to "cite an example of a single branch of industry in which labour costs today constitute a higher proportion of total costs than they did 75, 50, or 40 years ago (Mandel, 1980, 84).

THE CONTRADICTIONS OF CAPITALISM

The importance which Marx attaches to the tendency of the rate of profit to fall is witnessed by the damning indictment of the capitalist

1. M. Blaug considers the implications of capital saving innovations in 'Technical Change and Marxian Economics' in Marx and Modern Economics, ed. D. Horowitz, MacGibbon & Kee, London, 1970, 227-43.

mode of production contained in chapter 15 of the third volume of Capital. The tendency is used as a framework within which the contradictions of the system are exposed. What kind of contradictions are exposed? They are internal to the development of the productive process, which has to "expand its scale merely as a means of self-preservation and under penalty of ruin" (3 CAP 244-5). The general contradiction is between aims and realisations:

The market, must therefore, be continually extended, so that its interrelations and the conditions regulating them assume more and more the form of a natural law working independently of the producer and becoming ever more uncontrollable. This internal contradiction seeks to resolve itself through expansion of the outlying field of production. But the more productiveness develops, the more it finds itself at variance with the narrow basis on which the conditions of consumption rest. It is no contradiction at all on this self-contradictory basis that there should be an excess of capital simultaneously with a growing surplus population. (3 CAP 244-5).

The immanent contradictions deny the system stable growth and demand a violent resolution.

The violent resolution need not obliterate the system, however. It can act as a corrective. Marx describes crises as "momentary and forcible solutions of the existing contradictions ... violent eruptions which for a time restore the destroyed equilibrium" (3 CAP 249). Marx relates these crises directly to the falling rate of profit, again referring to a "law" (Balinky's "poetic license"), but this time a law about the contradictory nature of the system of accumulation "created out of the falling rate of profit" (3 CAP 258). Marx summarises the general contradictions of the system as being contained in the fact that production takes place for profit rather than for use. It is a variation on the developmental contradiction and emphasises the inadequacy of the existing relations of production:

The limitations of the capitalist mode of come to the surface:
In that the expansion or contraction are determined by the appropriation of unpaid labour and the proportion of this unpaid labour to materialised labour in general, or, to speak the

language of the capitalists, by profit and the proportion of this profit to the employed capital, thus by a definite rate of profit rather than the relation of production to social requirements, i.e. to the requirements of socially developed human beings. It is for this reason that the capitalist mode of production meets with barriers at a certain expanded stage of production which, if viewed from the other premise, would reversely have been altogether inadequate. It comes to a standstill at a point fixed by the production and realisation of profit, and not the satisfaction of requirements. (3 CAP 258).

Crises resolve the contradiction violently and restore equilibrium, unless the social revolution succeeds at the political level. The conditions for revolution, which Marx sets down in the preface to A Contribution to the Critique of Political Economy, are present in developed capitalism. Marx reiterates that the general contradiction of capitalism is between the forces of production and the relations of production:

The contradiction of the capitalist mode of production, however, lies precisely in its tendency towards an absolute development of the productive forces, which continually come into conflict with the specific conditions of production in which capital moves, and alone can move. (3 CAP 257).

There is clearly a strong moral content to Marx's writing in this chapter, especially when he compares the plethora of wealth in capitalist terms with the scarcity of wealth in social terms. Interestingly, it is in this chapter that Marx attacks Ricardo, not on technical grounds, but over his apparent lack of concern for human beings, and he says that this is "the most important thing about him" (3 CAP 259).

The theory is posed at an abstract level, and this has clearly frustrated many critics. Although Gillman states that Marx did not have the facts to test out his theory (Gillman, 1957, 31), it is not a theory which can be tested in the way Gillman himself sets about the task. Although he doesn't come to any decisive conclusions about the development of the rate of profit, this depends on which sets of figures are used. As Desai points out, the theory does not allow for problems of realising surplus value since it is not expressed in terms of prices; also, the circuit of money capital is ignored, which does not correspond to real

economic processes.¹ Meek defends the theory against the theoretical objections relating to the constant rate of surplus value and the cheapening of constant capital, but points to its limitations in predicting how the rate of profit will behave in modern capitalism, due to changed factors such as the prevalence of monopolies and increases in real wages. However, he considers that the theory provides a conceptual framework for considering the long term behaviour of the rate of profit (Meek, 1976, 216). Dickinson is among those who have called for more empirical examination to flesh out Marx's theory (Dickinson, 1956-7, 130), and this would be particularly useful in throwing light on the possibility of a cheapening (in value terms) of constant capital.

In his work on accumulation, Marx explains the expansionist dynamic of the capitalist system, its need to continually strive to expand the forces of production. In his work on the falling rate of profit he brings out the problems with which such expansion is fraught. In so doing he impressively anticipates the centralisation of capital:

The rate of profit ... is above all important to all new offshoots of capital seeking to find an independent place for themselves. As soon as formation of capital were to fall into the hands of a few established big capitals, for which the mass of profit compensates for ... the falling rate of profit, the vital flame of production would be altogether extinguished. It would die out. The rate of profit is the motive power of capitalist production. Things are produced only so long as they can be produced with a profit. (3 CAP 259)

However, there is a confusion here concerning the motivation of capitalists. Is it the rate of profit or the mass of profit which motivates capitalist production? Clearly Marx misreads the prospects for monopoly capital, just as Engels did in Socialism: Utopian and Scientific when he writes that in this final phase of capitalism the bourgeoisie is "demonstrated to be a superfluous class" (2 MESW 155). All that can be said is that while Marx and Engels predict monopoly capitalism, and Engels predicts widespread state intervention (idem), this has not led to the abolition

1. M. Desai, Marxian Economics, Basil Blackwell, Oxford, 1979, 197.

of the capitalist mode of production.

In exploring the dilemmas faced by individual capitalists in attempting to maintain profitability, Marx exposes the possibilities of misfortune for both capitalists and the populations as a whole. Part three of the third volume of Capital is both an exposure and a declamation of the inherent instability of the capitalist mode of production, at least in its unrestricted phase.

CONCLUSION

The question of the relationship between Marx's concept of contradiction and formal logic remains to be answered. The issue was raised towards the end of the first chapter in reference to the work of Lucio Colletti and his critics. In this conclusion I will combine an excursus dealing with this important question with a summary of my analysis of Marx's concept of contradiction.

I have argued that the modern dialectic originates in Fichte's radical break with Kant's philosophy, and is then developed within the idealist school by Schelling and Hegel. The dialecticians espouse the positivity of contradiction, involving the mutual determination (reciprocity) of opposites within a contradictory relationship. Kant, on the other hand, maintains that contradiction is a purely negative criterion for establishing veracity, and, as such, occurs only in thought and should not be tolerated. Oppositions in reality do exist, but real oppositions are not contradictions (see above, 19-20). As I have argued that Marx's materialist conception of contradiction is a dialectical one, it seems clear that his work represents an implicit rejection of Kant's principle of non-contradiction.

However, in contemporary Marxism there have been attempts to reconcile the notion of real opposition which Kant maintained with Marx's concept of contradiction, an outstanding example being Colletti's article 'Marxism and the Dialectic', published in New Left Review in 1975.¹ Colletti first states the difference between dialectical and non-dialectical opposition, the former being indicated by the formula "A not A", involving opposites which cannot stand without each other, the

1. See also A. Schaff, 'Marxist Dialectics and the Principle of Contradiction' in 57 Journal of Philosophy, 1960; G. Della Volpe, Logic As A Positive Science, New Left Books, London, 1980.

latter being indicated by the formula "A and B," involving self-subsisting positive opposites which are compatible with formal logic because their relationship does not violate the principle of non-contradiction. He then supports his descriptions of real opposition by quoting from the passage in the Critique of Hegel's Philosophy of Right in which Marx introduces essential contradiction:

Real extremes cannot be mediated precisely because they are real extremes. Nor do they require mediation, for they are opposed in essence. They have nothing in common, they do not need each other, they do not supplement each other. (3 MECW 88, see above, 57, and Colletti, 1975, 6)

This causes Colletti to comment that "real extremes do not mediate each other ... it is a waste of time (indeed it is positively damaging) to speak of a dialectic of things" (Colletti, 1975, 6). I will come back to this example later, as it is at the very heart of Colletti's dilemma, which unfolds with the argument. He acknowledges that Hegel believes in a dialectic of things, but as things for Hegel are reduced to the ideal, they have no true reality.

It appears that Colletti is going to follow the Della Volpe line in saying that the contradictions which Marx pointed out were in fact real oppositions, but Colletti recounts his rejection of that view. Instead he accepts that Marx does point to dialectical contradictions in the capitalist system, and he cites the rejection of Say's Law to support his conclusion, as I have done in the chapter on crises (see above 128-9, cf. Colletti, 1975, 24-5). Colletti acknowledges the difficulty he has put himself in:

I suppose the 'dialectical materialists' are rubbing their hands together at this point. But I fear that once again they have failed to understand the situation. If in fact it is true that, for Marx, the separation between commodity and money is a dialectical contradiction between complementary opposites, and if it is also true that this contradiction is developed between real, i.e. independent opposites (which seems to undermine everything we have maintained until now), nevertheless it is true that the reality of these extremes is this instance of a very special kind. (Colletti, 1975, 25)

The special kind of reality to which Colletti refers is the alienated quality of the capitalist system:

In his view the contradictions of capitalism do not derive from the fact that capitalism too is a "reality". On the contrary: in Marx's view, capitalism is contradictory because it is a reality that is upside-down, that is "stood on its head". (Colletti, 1975, 26)

This leads Colletti to the conclusion that there are "two aspects in Marx: that of the scientist and that of the philosopher".

Colletti's argument does not really overcome an obvious objection mentioned by Edgley in his rejoinder, that "capitalism seems to be only too bloody real" (Edgley, 1976). Nor is this a trivial point. Marx stresses the reality of alienated relationships when dealing with money in A Contribution to the Critique of Political Economy, as I pointed out in chapter four:

A social relation of production appears as something existing apart from individual human beings, and the distinctive relations into which they enter in the course of production in society appear as the specific properties of a thing - it is this perverted appearance, this prosaically real, and by no means imaginary, mystification that is characteristic of all social forms of labour positing exchange values. (CCPE 49, see above 112)

Marx's comments here indicate that however peculiar the form of reality which an alienated system shows, it is important to grasp that it is real.

Returning to the beginning of Colletti's argument, it is apparent that the use he makes of the quotation from the Critique of Hegel's Philosophy of Right is radically different from the approach adopted in this thesis. Whereas Colletti asserts that Marx is establishing the importance of real, non-dialectical opposition, I have argued that the emergence of the essential contradiction is an important stage in the development of Marx's dialectic.

Marx argues that essential oppositions cannot be mediated and have nothing in common with each other. In the Economic and Philosophic Manuscripts, and then The Holy Family, he discloses the essences which

he considers to be opposed in the capitalist system. In the Manuscripts, and later in Capital, the essence of man - what distinguishes him from animals - is described in terms of purposive or creative activity, conceived not in an individualistic sense but in a social, co-operative sense. Under capitalism, alienation accompanies the division of labour and is regarded by Marx as loss of essence. In the Manuscripts he speaks of man feeling little more than an animal at his work (3 MECW 274-5), and in The Holy Family he speaks of "the reality of an inhuman existence" (4 MECW 36, see above, 62). The essence of human life - creative activity - is alienated in the system of advanced private property which is essentially autonomic, i.e. it functions involuntarily, reducing the workers to automatons and "becoming ever more uncontrollable" to the bourgeoisie (3 CAP 245).

While these essences are unquestionably real extremes which cannot be mediated and do not "need each other", certain forms based on these essences are in a dialectical relationship, i.e. they present a dialectical contradiction in which the two extremes are mutually determined, or incapable of standing independently of each other. In the Manuscripts, the contradiction between labour and capital serves as an example (3 MECW 293-4, see above, 66). As regards the question of mediation, the two opposed extremes may not always be in a condition of naked antagonism, but whatever pro tempore agreements are reached they can never represent an abolition of the contradiction. The abolition of private productive property is necessary for that achievement. If that is achieved, the appearance of labour, not as wage labour but as work, will conform to its creative essence.

If Colletti had perceived that Marx's essential contradiction was at the very heart of his dialectical method he might have avoided the awkward and erroneous conclusion to which he was drawn. The reason why he didn't is perhaps to be found in Edgley's chief criticism of Colletti, namely, that he fails to "break down the dichotomy between logic and reality, and thus between logical and real opposition" (Edgley,

1976, 50). Non-dialectical philosophy always asserts this distinction, but it fails to recognise that logical (and illogical) relations are part of the real world. The separation of ideas and things falls into the category of illusory opposition which Marx arrived at in 1843 (see above, 59). Written or spoken propositions, positions, theories, etc., many of them contradictory, are really held in the real world. Any scientific investigation of the human world must take the reality of contradictions into account, not simply to dispel them, but to understand their genesis and their direction. This is precisely the demand made by Marx in his early writings, and the method employed in Capital, in which he claims to show that the contradictions of capitalism are necessary for its development and its destruction.

Edgley claims that because real contradictions are part of a specifically human reality, the dialectical method is appropriate for the social sciences but not the natural sciences:

.... there are contradictions in reality, but only in specifically human reality. All the sciences, natural and social, are real human products and to that extent and in that way must be dialectical. But if we regard a science as dialectical only if the reality it studies, its object, is like it in containing contradictions and other logical relations, then the social sciences must be dialectical, but not the natural sciences. (Edgley, 1976, 52)

The distinction between the two sciences and the methods appropriate to them is made by Marx on at least two occasions. In the Preface to A Contribution to the Critique of Political Economy he refers to the possibility of measuring changes in the economic conditions of production with "the precision of natural science", whereas superstructural changes present a more complex problem. In the Preface to the first edition of Capital he compares his work to that of a physicist, but as the instruments of natural science such as microscopes and chemical reagents are not appropriate to the study of economic forms, he uses the "power of abstraction" (1 CAP 90). In the course of presenting this abstract

model of the capitalist mode of production he exposes and analyses the real contradictions which he considers to be immanent to that moving system. The process of abstraction is considered necessary because the reality he is studying is a human construction (however inadvertent) with human parts. Hence his continual stress that classical political economy had regarded economic relations as relations between things and not as social relations. The question of the appropriateness of the dialectic in the natural sciences is not confronted by Marx.

In adopting this position about the rightful place of the dialectic, Edgley follows the views of Lukács (see above, 47) and Sartre (see above, 50). Lukács, in a footnote to 'What is Orthodox Marxism?', the first essay in History and Class Consciousness, writes:

It is of the first importance to realise that the method is limited here to the realms of history and society. The misunderstandings that arise from Engels' account of dialectics can in the main be put down to the fact that Engels - following Hegel's mistaken lead - extended the method to apply also to nature. However, the crucial determinants of dialectics - the interaction of subject and object, the unity of theory and practice, the historical changes in the reality underlying the categories as the root cause of changes in thought, etc. - are absent from our knowledge of nature. (Lukacs, 1971, 24n)

Sartre also attacks Engels on this point, complaining that he has made the same mistake as Hegel in imposing the laws of thought on matter, in that "he expects the sciences to verify a dialectical reason which he discovered in the social world." However, while stating that the dialectic of nature must be "extra scientific" or "a metaphysical hypothesis," he maintains an agnostic approach to whether or not there are dialectical relations in nature, stating that we are not in a position to affirm or deny it.¹

1. J-P. Sartre, Critique of Dialectical Reason, trans. A. Sheridan-Smith, New Left Books, London, 1976, 32-3.

However, there are writers who support Engels and who are unwilling to limit the realm of the dialectic. Among them is Sean Sayers, in articles written in 1976 and 1981, the first including a refutation of Colletti. Sayers claims that the dialectic "applies to all things and not just to society" (Sayers, 1976, 12), and that it constitutes a "logic" (Sayers, 1976, 16 and 1981, 436).¹ Before proceeding on this important question of its scope, it is worthwhile to look at his defence of the dialectic and its incompatibility with formal logic.

Hegel's rejection of the usefulness of the laws of thought - identity, non-contradiction, and the excluded middle - is quoted approvingly by Sayers in both articles. Formal logic gives everything a self-identity, but in so doing it fixes things in an "abstract, isolated, static and unchanging" condition. Dialectics, on the other hand, attempts to portray things "as concrete," i.e. "as part of the world of interaction, motion and change," or "embedded in the world" (Sayers, 1976, 10). He reiterates the difference when moving on to the dialectical contradiction:

The dialectical contradiction is a concrete contradiction; it is a contradiction which exists not just between ideas or propositions, but in things. When dialectical thinkers talk about contradictions they are referring to conflicts of opposing forces or tendencies in things. This is the most important part of the meaning of 'contradiction' in dialectical thought.....

According to the metaphysical outlook, as we have seen, things are regarded as self-contained, positive existents, indifferent to other things. (Sayers, 1976, 11)

He criticises Colletti for adopting the "metaphysical" approach, treating the world as "an indifferent diversity of merely positive things: A.B. etc.", an approach which is "abstract and dead" (Sayers, 1976, 15). The criticism comes down to an agreement with Edgley that Colletti makes an

1. The view that dialectics is more than just a methodology is shared by Sartre, Critique of Dialectical Reason, trans. A. Sheridan-Smith, New Left Books, London, 1976, 20.

unjustifiable separation of thought from reality. He also rejects Colletti's claim that dialectical materialism is an a priori, and therefore unscientific, doctrine. He accepts that Hegel's dialectic could be criticised on this basis, because of the idealist basis of his system, and he also accepts that dialectical materialism can be used in this dogmatic way, but he denies that this is necessary or intended. However, he avoids relating the accusation specifically to Engels' work on the dialectics of nature.

One example which he gives to illustrate the non-dogmatic nature of the dialectic is Marx's reproof to Proudhon in The Poverty of Philosophy to the effect that no philosophy presents a magic formula which can dispense with the need to analyse the content (Sayers, 1976, 17, cf. 6 MECW 178). Another example of this reproach is found in the letter to Engels in which he criticises Lassalle's approach to dialectics (MESC 95, see above, 114). In 1877 Marx gave another warning of the danger of rigidly applying theory, this time in relation to his conception of history. In a letter to the editorial board of Otechestvenniye Zapiski he declares that a good understanding of historical phenomena will never be reached "by using as one's master key a general historico-philosophical theory, the supreme virtue of which consists in being supra-historical" (MESC 294). These statements confirm the strictures which Marx had stipulated in The German Ideology and which go a long way to explaining why he chose not to write at any length about his method:

When the reality is described, a self-sufficient philosophy loses its medium of existence. At the best its place can only be taken up by a summing-up of the most general results, abstractions which are derived from the observation of the historical development of men. These abstractions in themselves, divorced from real history, have no value whatsoever. They can only serve to facilitate the arrangement of historical material, to indicate the sequence of its separate strata. But they by no means afford a recipe or schema, as does philosophy, for neatly trimming the epochs of history. On the contrary, the difficulties begin only when one sets about the examination and arrangement of the material - whether of a past epoch or of the present - and its actual presentation. The removal of these difficulties is governed by premises which certainly

cannot be stated here, but which only the study of the actual life-process and the activity of the individuals of each epoch will make evident. (5 MECW 37)

Edgley, and particularly Sayers, offer convincing arguments about the validity of the dialectical approach as a means of understanding the movement, change, and inter-relatedness of forces and tendencies in society.

The abstract separation of conditions and things into positive, self-supporting entities, emphasises the illusory separation between thought and reality and the inadequacy of formal laws of thought in understanding social reality. It is precisely because the dialectic seeks to understand the movement of social forms that Marx asserts the superiority of his method, in the Afterword to the second edition of Capital 1:

... it is a scandal and abomination to the bourgeoisie and its doctrinaire spokesmen, because it includes in its positive understanding of what exists a simultaneous recognition of its negation, its inevitable destruction; because it regards every historically developed form as being in a fluid state, in motion, and therefore grasps its transient aspect as well. (1 CAP 103, see above, 1).

Obviously, distinctions have to be made in practice, for example, between life and death, and this has to be remembered when dealing with the relationship between dialectical and "ordinary" thought.

Sayers accepts that formal logic can have utility, and he acknowledges that "in a proof or in a deductive argument, for example, a contradiction is a fault and an indication that the argument, as an argument, is invalid" (Sayers, 1981, 425). In the conclusion to his 1981 article he accepts that the law of non-contradiction has a limited validity, but considers it to be "misleading and false" when it is portrayed as "a necessary principle of all rational and scientific thought" (Sayers, 1981, 436). Earlier, he had emphasised that "dialectics rejects the traditional logical principle of non-contradiction" (Sayers, 1981, 427). This appears to accept the co-existence of two mutually exclusive systems. The law of non-contradiction claims

universal validity, while dialectics rejects that law.

An attempt to demonstrate the compatibility of formal logic with dialectics is made by Adam Schaff in his article 'Marxist Dialectics and the Principle of Contradiction'. In the first part of the article Schaff distinguishes between formal logical contradictions and the "unity of opposites" formulation used by Hegel. He then points out that Marx uses a third type of contradiction which also uses the unity and struggle of opposites but cannot be mediated within the system. The last two types of opposition are dialectical, but for Schaff they imply no disagreement with the principle of non-contradiction. However, the abridgment of this article¹ appears to have left out the argument leading to this conclusion, and it is the second part of the article which comes closer to the heart of the matter.

Schaff attempts to resolve Zeno's paradox of the arrow in flight in order to explain motion in a non-contradictory way (see above, 38). Schaff agrees that the way in which Zeno portrays the flight of an arrow leaves him with a contradiction - "he remarks quite correctly that an unbroken succession of states of rest contradicts the concept of motion" (Schaff, 1960, 248). Schaff maintains that Zeno's error is to reduce motion to a succession of states of rest, since "movement cannot be explained by rest nor reduced to it" (idem). Schaff explains this point:

When we speak of a body as "resting" we have in mind the lack of some form of movement, not absolute rest. The body is at rest in relation to some other body if both of them move with the same speed and acceleration in regard to all other bodies Rest may be conceived as a special, limiting case of motion with regard to another body (a "movement" with zero speed); but movement cannot be explained as a special case of rest as Zeno wanted. Motion is a primitive concept, not reducible to others and especially not to rest. To Zeno, however, rest was a primitive concept out of which he would attempt to deduce motion (idem).

1. The article was translated from the Polish original which appeared in 1955.

Zeno's solution is reversed. Instead of the impossibility of motion we have the impossibility of absolute rest.

This is a similar solution to the one adopted by Fichte and Hegel in resolving the contradiction between light and darkness, when they claimed that darkness was just a small quantity of light. It is an argument which reduces qualitative differences into quantitative ones. However, if this procedure is applied thoroughly, the principle of non-contradiction will be circumscribed out of useful existence.

To illustrate this point an example from Popper's 'What is Dialectic?' may be useful. Popper misrepresents the dialectic, implying that it is the progression of external categories or propositions through the stages of thesis, antithesis, and synthesis, the very formulation which Hegel explicitly warned against. Popper aims to show that if we accept two contradictory statements we must accept any statement whatever (Popper, 1972, 317). In doing this he uses two contradictory statements, "the sun is shining now" and "the sun is not shining now" (Popper, 1972, 319). We have to assume that he means that the sun is shining in the same sense, and in the same place; he states that it is shining at the same time - "now". But what is "the same place" and what is "now"? "Now" is a similar abstraction to "rest", in that it involves a freezing of time just as "rest" involved a freezing of motion. The principle of identity, on which the principle of non-contradiction is based, can only function as an abstraction from reality, as Hegel pointed out (see above, 36). Trotsky asserts the purely abstract, formal limitations of the principle of identity in In Defence of Marxism, illustrating his point in the following way:

Again one can object: but a pound of sugar is equal to itself. Neither is this true - all bodies change uninterruptedly in size, weight, colour, etc. They are never equal to themselves. A sophist will respond that a pound of sugar is equal to itself "at any given moment".... How should we really conceive the word "moment"? If it is an infinitesimal interval of time, then a pound of sugar is subjected during the

course of that "moment" to inevitable changes. Or is the "moment" a purely mathematical abstraction, that is, a zero of time? But everything exists in time; ... time is consequently a fundamental element of existence. Thus the axiom "A is equal to A" signifies that a thing is equal to itself if it does not change, that is, if it does not exist.

But what of the argument, made by Schaff and Popper, that to reject the traditional laws of logic would involve allowing equal validity to all judgments? The answer is found in the acceptance of a utility for the laws of logic but a denial of their universal validity. Schaff terms this a "hackneyed answer", resting on the distinction between analysing objects in a state of rest and analysing movement of change (Schaff, 1960, 243). Hackneyed or not, it is an accurate description of Marx's method, provided that we restrict the analysis of movement or change to the social world.

Much of this thesis has shown that Marx uses contradiction in a dialectical way, but mention has been made of his use of "flat" contradiction in conformity with formal logic, in his criticism of Hegel in the Critique of Hegel's Philosophy of Right (3 MECW 128, see above, 56), and his criticism of John Stuart Mill in the first volume of Capital, where he brings out the distinction between the two types of contradiction (1 CAP 744n, see above, 121). Interestingly, a few pages earlier in Capital, he had criticised Mill for failing to reject an analysis by Adam Smith which concluded that the entire capital of society is laid out exclusively in the payment of wages:

In spite of his 'Logic' John Stuart Mill never manages to detect even such a faulty analysis as this on the part of his predecessors, even when it cries out for rectification from a purely technical standpoint, entirely within the bourgeois field of vision. (1 CAP 737n)

Here formal logic is equated with a technique and associated with a class

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1. Quoted in G. Novack, An Introduction to the Logic of Marxism, Pathfinder Press, New York, 1978, 33.

standpoint. It is clear that Marx considers it to be limited. Indeed besides the examples of "flat" contradiction offered above, it is difficult to find the noun "contradiction" used in conformity with formal logic in Marx's works. In exposing inconsistencies in the arguments of other writers he is operating within formal logic, but the use of that logic is limited, as Sayers has suggested, to proofs or deductive arguments, in a purely formal way.

When it comes to the complexity of relations between and within forces and tendencies, Marx uses the dialectical approach. But this thesis has shown that the contradictions exposed are contradictions in the social world involving unfulfilled intentions, unintended consequences, illusory ideology, and alienated relations. Edgley is correct in claiming that the dialectic is appropriate for the social sciences but not the natural sciences. The experimental approach of the natural sciences requires that certain things are fixed and isolated; experimental conditions are by definition abstract but spectacular scientific progress has been made using procedures based on formal logic. The problems of understanding this scientific progress, i.e. why it came about in the way it came about etc. are social scientific problems which will, if Marx's method is followed, require a dialectical approach. It may well be that the natural scientist would benefit by adopting a dialectical outlook, in the sense that he might better appreciate the transitoriness, the provisional nature, of disclosures in his field, and in that way have a more open mind to theories or notions which appear to be preposterous. But such an outlook can be maintained without recourse to dialectics.

The dialectical method used by Marx goes beyond formal logic and denies the claims of the latter to universal applicability. As Lefebvre claims:

Formal logic is the logic of the instant, of the assertion and the object isolated and protected in their isolation. It is the logic of a simplified world. (Lefebvre, 1974, 37)

Lefebvre is quite scathing regarding the claims of formal logic to

provide a basis for all scientific thought:

Formal logic has involved rational thought in a series of conflicts. The first is a conflict between rigour and fruitfulness. In the syllogism (even if it is not totally sterile) thought is rigorously coherent only if it keeps within the repetition of the same terms. It is well known that the induction which enables us to move on from facts to laws is not a rigorous one. Every fact, everything that is established experimentally, introduces into thought an element that is new and hence without necessity from the point of view of logical formalism. The sciences have developed outside formal logic or even in opposition to it (Lefebvre, 1974, 24)

However, as was noted in chapter one, Lefebvre considers Marx to have rejected not just Hegel's dialectic, but the dialectic in general, in his early writings (see above, 47), and to have "rediscovered" it in the late 1850's. Lefebvre makes a distinction between the "humanist" Marx and the "scientific" Marx of the later writings in political economy, a distinction developed by Althusser in the 1960's. This variant of the "two Marx's" interpretation, like that of Colletti, suffers from a misreading of Marx's criticism of Hegel, the Young Hegelians, and Feuerbach. In concluding that Marx's rejection of Hegelian idealism and contemplative philosophy in general involves a rejection of the dialectical method, they are guilty of throwing the dialectical baby out with the philosophical bath water.

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At this point it is appropriate to recapitulate my findings on the origin and development of Marx's concept of contradiction. I have argued that the modern dialectical method originates in Fichte's view of an unconditioned and divisible Ego. This involves an acceptance of the positivity of contradiction, not in the simple Popperian sense that the exposure of falsehoods and inconsistencies should lead to progress in the development of knowledge, but in the sense that contradictions are necessary to the development of thought itself. The dialectical contradiction involves opposites which cannot stand independently but which "mutually determine" each other, to use Fichte's phrase. The

relationship between the Ego and the Non Ego is just such a dialectical relationship, but for Fichte his philosophical system remains separate and superior to his "secular" work in politics, political economy, law, etc.

Hegel's attempt to systematise and theoretically realise dialectical thought was the encyclopaedic enterprise which captured the imagination of Marx during his student days in Berlin. The attempt by Hegel to aspire to a concrete knowledge of life involved a rejection of "ordinary" thinking and the principles which govern it on the grounds that they were merely abstract and formal. This attempt to bring philosophy down from the "heavens", to echo Marx's adolescent epigram (see above, 16), receives a jolt from the criticism of Feuerbach. His ontological attack on the Hegelian system, particularly his demand that the relationship between subject and object must be reversed - the transformative method - was greeted with enthusiasm by Marx. The Critique of Hegel's Philosophy of Right contains a similar methodological criticism, but whereas for Feuerbach the reversal of the subject-object relationship is sufficient to reveal the "untarnished" truth (Feuerbach, 1972, 155, see above, 54), for Marx it provides no more than a basis for further analysis necessary to develop our understanding of social reality.

At this point Marx arrives at his conception of essential contradiction, absent from the work of Hegel but crucial to the emergence of a materialist dialectic. He congratulates Hegel for perceiving the separation of civil society from political society as a contradiction, but rejects the attempt to resolve that contradiction by reducing real relations to abstract concepts and then proclaiming their theoretical mediation. In doing this Hegel evades the major political problem in 19th century Germany, namely, the struggle between an autocratic political system and the demands for a representative, parliamentary system.

Marx sees the representative system as a "great advance" because it more clearly reveals contradictions within society. He considers that the contradiction between civil society and political society will become

an unconcealed contradiction in a representative system, and he chides Hegel for failing to see that this contradiction is essential (see above, 57).

In expounding his trichotomous typology of opposition in the Critique - essential, existential, and illusory (see above, 57-9) - he cites human and non-human as an example of a contradiction between two essences, and it is this contradiction which later receives expression as the general contradiction of capitalism. In this respect the Economic and Philosophic Manuscripts are of great significance. I have already summarised my argument regarding Marx's conception of human essence and its relationship to economic life in my criticism of Colletti, but I will again reiterate the main points in order to show the development of Marx's conception of the general contradiction of capitalism. In the Manuscripts he defines the human essence as involving consciously planned activity. Alienation, which grows with the division of labour under capitalism, is conceived as loss of essence, and the alienated worker is seen as atomised and de-humanised. The creative activity essence of humanity is contradicted by the autonomic essence of capitalism. These essences are not compatible, and the contradiction can only be abolished by the abolition of capitalism. The relations based on these essences are dialectical relations, however, and the example given in the Manuscripts is the dialectical contradiction between capital and labour (see above, 66).

In The German Ideology there is an important advance in the formulation of the general contradiction of capitalism, for it is here linked with a conception of historical development, which Marx later describes as the "guiding thread" to all his studies. According to this, "all collisions in history have their origin ... in the contradiction between the productive forces and the form of intercourse" (5 MECW 74-5, see above, 69-70). This is an expression of a general contradiction which is not confined to capitalism, but could be used as a framework for investigating the transition from one mode of production to another.

As such the contradiction can form the basis for an explanation of the rise of capitalism as well as the prediction of its demise. The contradiction is a developmental one, and has the advantage of avoiding a personalisation of capitalist contradictions which may encourage the view that the personalised amelioration of antagonisms within the system represents a resolution of that contradiction, e.g. worker directors, profit sharing schemes, state-owned enterprises. However, I have rejected Godelier's claim that this contradiction is the fundamental contradiction because it is between "structures" rather than within one structure. Marx is talking about a capitalist economic system and both the contradiction and contradictions such as those between capital and labour operate within that system in a dialectical relationship. Neither part of the contradiction can exist independently. Simply because they are examined within one system does not mean that the movement of that system cannot be explained, for the explanation lies not in the formulas themselves, but in the concrete examination of the reciprocity of the factors concerned. The developmental contradiction is a more sophisticated expression of the general contradiction of capitalism than that between capital and wage labour, but they are both based on incompatible essences. In the developmental contradiction, the productive forces offer the possibility of abundance, co-operative labour, and control over nature - they offer the promise of a realisation of the human essence; the relations of production¹ offer a reality of want, atomisation, and helplessness in the face of periodic crises.

Most studies of Marx's method have concentrated on his work in political economy, and his use of contradiction in his political writings have been neglected. However, we have seen that the essential contradiction which Marx accused Hegel of glossing over was a political

1. This term is used in the Preface to A Contribution to the Critique of Political Economy instead of "forms of intercourse" without, I have argued, altering the meaning.

contradiction, or a socio-political contradiction, between the state and civil society. In the same work, after referring to the writings of some of the Young Hegelians, he states that it is insufficient to simply demonstrate the existence of contradictions, but that it is necessary to explain their "genesis" and "necessity" (3 MECW 91, see above, 58-9).

In a crude sense, this could be taken to mean that political contradictions should be immediately reduced to their economic basis. In The Holy Family he criticises Bauer for confusing the political essence with the human essence in such a way as to suggest that purely political solutions, in this case the triumph of the representative state, would solve the problems of society (4 MECW 115). By this time Marx had already located the problem of the alienation of the human essence in the production process itself, and this was to be his major object of study. In The German Ideology political struggles are ascribed only a subsidiary role as a manifestation of the systematic economic contradiction between the forces of production and the form of intercourse (5 MECW 74-5).

However, in the Brumaire the political contradictions are explained according to his stipulations of 1843. Their relationship to the economic system is stressed, through the class struggles which act as a bridge between the economic base and the political superstructure. But the importance of the political struggles as an object for political analysis are also stressed, and in this sense the Brumaire is no exception. And just as his political economy aimed to expose the ideological nature of views on economic relations which purported to be scientific, so in the Brumaire he aims to expose the ideological or illusory nature of political positions which purport to be based on unconditioned principle (morality).

In 1843 Marx had welcomed the idea of the separation of powers in the representative state, but only because it would reveal most clearly the contradiction between civil society and political society. In the Brumaire he describes how the Constitution institutionalises the

separation of powers between a directly elected President with executive power and the Legislative Assembly, thereby creating an "intolerable contradiction" (11 MECW 115-6). In detail, this general contradiction is spelled out by a host of "crying contradictions" (11 MECW 124-5), most of which I have analysed by examining the role of the proletariat and the role of the bourgeoisie.

Marx sees the failure of the revolutionary proletariat in the June days as inevitable, given its limited size and experience. He speaks of the contradiction between what the proletariat strove for and what was actually realisable, in other words, between intention and fulfilment. And it is this feature of unintended consequences which characterises the contradictions in the Brumaire.¹ The revolution itself, conceived by its perpetrators to merely extend political power to the whole of the bourgeoisie, rather than just one faction of it, is driven by the democratic threat to abandon all its principles, and the counter-revolution is signified by the sight of a republic in which the majority of the Legislature are monarchists. But Marx also demonstrates that principles such as "republicanism", however sincerely held, are but an illusory motivator, masking the material class interests which condition the political action of the various classes and sub-classes. Ideology appears, in the Brumaire, as a consequence of the contradiction between the forces of production and the relations of production. The dominant class seeks to legitimate the political system by universalising the values of that class, and the discrepancy which arises between this legitimating ideology and social reality are manifested in a farrago of contradictions. Ideology is formed out of the need to obscure the contradictory nature of the system of production, and it also contributes to the creation of contradictions in the superstructure between

1. Sartre is the only writer to appreciate this point, in Search for a Method, trans. H. Barnes, Vintage Books, New York, 1968, 45-6 and 25.

principle and action. This concatenation of contradictions produces a victory of state power over all the political forces of the bourgeoisie, petty bourgeoisie, and proletariat, and Marx's emphasis on the relatively autonomous nature of the state shows that his perception of the contradiction between civil society and political society in 1843. This can only be resolved by the disappearance of the state, a conclusion which Marx and Engels arrived at in 1850. This, in turn, can only be achieved by the disappearance of class as a result of the abolition of the general contradiction of capitalism, involving the abolition of private productive property.

The specification of the particular political contradictions which abounded in the French Second Republic should be taken into account in any assessment of Marx's method. His analysis reveals a flexibility and sensitivity which supports his general theory of historical development, with its emphasis on economic relations, but highlights the subtleties and significance of political and ideological relations. As such it is a warning against any mechanistic interpretation of his general theory, and a demand for careful analysis of the specifically political relations. Marxism has not always followed this method. The mistaken evaluation of national socialism by the Comintern supplies a powerful example, for the political analysis was disastrously insensitive to the German political situation.¹ Many Marxists, following Rosa Luxemburg, have also taken a blanket anti-nationalism line, despite the flexible approach adopted by Marx and Engels.²

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1. See Fernando Claudin, The Communist Movement, From Comintern to Cominform, trans. B. Pearce and F. MacDonagh, Penguin, Harmondsworth, 1975, Ch. 4.
 2. For the attitude of Marx and Engels to nationalism see V.C. Fissera & G. Minnerup, 'Marx, Engels and the National Question' in Socialism and Nationalism, ed. G. Minnerup, Spokesman Books, Nottingham, 1978, pp. 7-8; Horace B. Davis, Nationalism and Socialism: Marxist and Labour Theories of Nationalism to 1917, Monthly Review Press, New York, 1973, passim.

Although the Brumaire demonstrates the importance which Marx attaches to political contradictions, his conception of history makes it clear that his chief concern is with economic relations. In analysing his treatment of money I have shown its tremendous importance as part of the theoretical basis of his model of capitalist development and as a key category in understanding the alienation process, first set down in his early writings. Money transforms economic relationships into relationships between things rather than relationships between human beings. In the Comments on James Mill's 'Elements of Political Economy' he writes that the social act of exchange is "estranged" from man and "becomes the attribute of money, a material thing outside man", and an essentially social activity "becomes the operation of an entity outside man and above man" (3 MECW 212). The theme is repeated later in the same year when he writes in the Economic and Philosophic Manuscripts that "the complete domination of the estranged thing over man has become evident in money", which he terms "the objective existence of this alienation" (3 MECW 221). This theme recurs in all of the major economic writings of Marx's long career.

In the Grundrisse he again writes of a social relation being transformed into a relation alien to the producers through the agency of money, but this time he relates it to the contradiction between "product as product" and "product as exchange value" (GR 146). This contradiction between use-value and exchange-value occurs at the very inception of his model of the capitalist system. This contradiction is externalised as the contradiction between the commodity and money. In A Contribution to the Critique of Political Economy he again stresses the alienating quality of money when he writes that "a social relation of production appears as something existing apart from individual human beings" and he describes it as a "perverted appearance" (CCPE 48-9). Money itself embodies the contradiction between exchange-value and use-value since it is a commodity itself and has a particular use-value, and at the same time it is a universal use-value (CCPE 48). Marx describes

the operation of the circulation process as a solution to the contradiction between use-value and exchange-value inherent in the commodity, in that it enables the system to develop, but in so doing it "makes the development of the inherent contradictions possible" (CCPE 98). In this way Marx's dialectic reveals the positive and negative aspects of contradiction.

In the first volume of Capital money again figures as the agency through which men's relations of production "assume a material shape which is independent of their control and their conscious individual action", and the "riddle of the money fetish" is described as the visible aspect of the "riddle of the commodity fetish" (1 CAP 187). The alienation theme is illustrated with an analogy with religion, just as it had been in the Comments on James Mill. It is impossible to understand Marx's conception of money, and with it his theory of exploitative capitalist development, without understanding its relationship to alienation. It is precisely on these grounds that Marx criticises Ricardo's conception of money (2 TSV 504).

Marx was aware of the problem of relating the contradiction between exchange value and use value, which is expressed in abstract terms, with the general contradiction of capitalism. He writes that "in a crisis, the antithesis between commodities and their value form, money, is raised to the level of an absolute contradiction" (1 CAP 236). I have not adopted this usage because it is isolated and begs the question of what a relative contradiction would look like. However, in his work on the falling rate of profit the contradiction is generalised, in its theoretically developed form, as a contradiction between production for profit and production for use (3 CAP 244-5). Whereas in its most abstract form the contradiction between use-value and exchange-value is necessary for the development of the capitalist system, in its developed form the contradiction is generalised as something which the system cannot possibly overcome. As such the contradiction can only be abolished by establishing entirely different relations of production.

If this relationship between the levels of contradiction is ignored, then Marx's dialectic is flawed. Either he presents dialectical oppositions which are not essentially opposed and thereby falls into the mistake he attributes to Hegel, or, to put it another way, the contradictions are not real contradictions but merely "contradistinctions", as Blaug claims (see above, 121). However, I have shown that the general contradiction of capitalism, in its various expressions, is both essential and dialectical.

Marx's work on crises and the falling rate of profit exposes the visible contradictions of capitalism. Crises are conceived as dialectical phenomena, for they mark the "collective eruption" of "all the contradictions of bourgeois production" (2 TSV 534) and at the same time "the forcible solutions of the existing contradictions" (3 CAP 249). The particular contradiction which reveals the possibility of crises is that between purchase and sale. Marx attacks Ricardo and James Mill for upholding what had come to be known as Say's Law, namely, that products exchange for products, or that supply creates its own demand, leading to what Marx called a "metaphysical equilibrium of purchase and sales" (CCPE 97), and a denial that a glut is possible. I have shown the neatness of Marx's argument against this, and the way in which he invokes the concept of contradiction (see above, 133-4). He criticises the classical political economists for acknowledging opposites, and at the same time denying the meaning of that opposition through a crude and abstract process of unification:

Because there is this unity, there can be no crises. Which in turn means nothing but that the unity of contradictory factors excludes contradiction. (2 TSV 500)

and in a passage directed against James Mill:

If a relationship includes opposites, it comprises not only opposites but also the unity of opposites. It is therefore a unity without opposites. This is Mill's logic, by which he eliminates the "contradictions". (3 TSV 101)

In examining two commonly held perspectives on Marx's view of

crises I have shown that in both the overproduction and disproportionality views the contradictory nature of the system is exposed. In the third volume of Capital Marx states that the "ultimate reason" for crises lies in the opposition between the restricted consumption of the masses and the drive of capitalist production to develop the productive forces as if there was no such restriction (3 CAP 484). This is very close to the developmental contradiction between the forces of production and relations of production, with the relative poverty of the productive workers stressed. In the third part of Theories of Surplus Value the formulation is directly linked to "crying contradictions" of bourgeois production (3 TSV 84). However, Marx is strenuously opposed to the Rodbertian argument that lack of effective consumption provokes crises, for this implies that the problem might be resolved by artificially boosting the level of consumption. For Marx, the problem lies firmly within the production process and cannot be resolved within the sphere of distribution.

Marx's work on disproportionality, though far from being in a developed state, offers a more sophisticated explanation of the developmental contradiction of capitalism. In anticipating what has come to be known as the accelerator principle, whereby the replacement of capital in one sector can lead to shifts in demand of an unexpected magnitude in another sector, Marx reveals another example of the way in which capitalism produces unintended consequences. Capitalists acting rationally cannot help but produce disproportions, which "can and must arise from the mere maintenance of the fixed capital" (2 CAP 545).

The long-term development of capitalism appears to be further undermined by the falling rate of profit. I have agreed with the conclusion of Fine and Harris that Marx's work in this area can only be understood as a theory of the tendency of the rate of profit to fall and its counteracting influence, and that this does not render the theory useless as an analytical guide. On this basis I have rejected the most radical criticisms levelled against the theory while acknowledging

the shortcomings in Marx's exposition, particularly his failure to give more than a cursory consideration to the possibility of a cheapening in the value of constant capital. The strength of his work on the falling rate of profit becomes apparent when it is considered as a contribution to his life's work in demonstrating the systemic frailty of capitalism. It provides additional, convincing arguments against capitalist stability, and lead him to reiterate the general developmental contradiction of the system:

The contradiction of the capitalist mode of production, however, lies precisely in its tendency towards an absolute development of the productive forces, which continually come into conflict with the specific conditions of production in which capital moves, and alone can move.
(3 CAP 257)

In part three of the third volume of Capital, and indeed in his work on accumulation in general, he brings out the absolute necessity of the expansion of the forces of production and the enormous problems with which such expansion is fraught.

* * *

In analysing the concept of contradiction in a variety of Marx's works I hope to have overcome a major difficulty frequently encountered in the general field of Marxian methodology. I refer to the way in which the concept of the dialectic is sometimes invoked by Marxist activists as a magic formula for achieving certainty in the social sciences.

In this way the dialectic is abstracted from specific investigation and defeats the purpose which Hegel had in mind when asserting its superiority to thinking based on formal logic, i.e. to give a "concrete" understanding of reality. I have shown that Marx's dialectic is sensitive to the specific circumstances of each investigation, and that he explicitly rejects attempts to impose an abstract, formal methodology on an investigation in the social sciences, with the inherent danger of precluding a critical analysis.

The emergence of dialectical contradictions in Marx's work stems

from the criticism which he levelled at Hegel in 1843 for failing to grasp the essential contradiction. This was a crucial step in the rejection of the idealistic dialectic, but it was achieved with a retention of the dialectical concept of contradiction. Marx's desire to understand the movement of things could not be satisfied by Feuerbach's static and contemplative materialism, and Marx stresses the need to examine the genesis and necessity of contradictions and to generalise the results of such examination. In the first part of The German Ideology he sets down the framework for such investigations in the shape of his production-orientated conception of historical development, which he was to call his "guiding thread". His dialectic is inseparable from this conception of history in theoretical practice.

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