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K. V. H. M.
Joan (P6)

MARX 1857-58 - Grundrisse der Kritik der politischen Ökonomie

Marx prepared himself for the writing of Capital by a scrupulous
logical analysis according to the Hegelian dialectic of the process of
exchange, production and circulation. The method and the results have
been preserved for us in the seven notebooks written during 1857 and 1858
and published under the title "Grundrisse der Kritik der politischen
Ökonomie". These preliminary writings of Marx are living proof both of
the indispensability and the limitations of the dialectical logic.
What Heissen and Kant were to the French Revolution and Hegel, these
notebooks are to the class struggles of the '60s and Capital.

In the Grundrisse Marx begins with money. Money, he says,
is a product of the dependence of the individual ~~producers~~ producers
upon exchange, on the one hand, and on the other, of the development of
exchange as a process independent of the producers. Money does not
produce this contradiction. It is the development of this contradiction
which produces money. Money, therefore, represents a universal social
existence separated from the particular commodities and their natural
existence. Instead of the universal representing the particular, the
particular becomes merely the representative of the universal; instead
of being merely a means, the universal becomes the end. In the same
way that the particularity of the products and activities are dissolved
in exchange value, all individuality and personal and natural relations
of the producers are dissolved in the network of this objective form of

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their mutual dependence.

The development of these opposites of the particular and the universal contained in money is the commercial crisis. The social embodiment of this mediation by money is the despotic rule of the bank.

This dialectical analysis of the process of exchange and of the form of value as a unity of opposites is as different from the economists' conception of exchange, as Rousseau's conception of science was from that of the Enlightenment. The economists could not see the antagonistic form of social unity. They saw only individuals pursuing their private interest and thereby the general interest. There was no contradiction, only harmony. Money was only a universal commodity existing alongside of the particular commodities. They therefore saw no development of an independent force over and against the producers, only an abstract "social interest"; they saw no destruction of individuality by the division of labor in society, only cooperation of individual's. That is why they thought that any crises were due to disproportions and could be organized by better communications, banks etc.

Marx, on the other hand, saw in the contradictions a transition to a new social order. He had the dialectical logic to guide him and he had grasped the form of value, not as an economic category but as an antagonistic form of social unity. But he did not have the form of the workers' revolt to guide him and his conception of the new order was therefore abstract.

The first form of society, he said, is that in which human productivity is limited and natural relations of personal dependence prevail. This is the case in the organic society of primitive communism. Personal independence based on material dependence, is the second great form, wherein for the first.

Antagonistic form of value as unity of opposites

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time, there is formed a ~~social~~ system of universal social exchange, universal relations, all-sided needs and universal capacities. This is the capitalist society. The third stage is free individuality, based on the universal development of the individual and the subordination of its social, communal productivity to its social capacities. The second stage of society creates the material conditions for the third.

It is a tremendous world-historic view which Marx presents here, a conception of a new society based on expanding cultivated human forces in a century when the whole world thought of expanding material forces as the foundation of the unification, activity and purpose of all liberation. But

at the same time we note here two characteristics of these notebooks written in 1857-58. On the one hand, the new social order, while never lost sight of by Marx, is abstractly posed in much the same way that popular sovereignty had been posed by Rousseau. On the other hand, there is a tendency to emphasize material conditions, the material foundations of the solution. That is what is real. The unification of the material conditions and the subjective capacities in a political form has not yet been achieved. This will be posed only when the workers revolt against the discipline of capital in the process of production itself. This revolt will enable Marx to make the first great leap to the two-fold character of labor as the unity of opposites from which all development proceeds, rather than the two-fold character of the commodity unified in money.

In the Grundrisse, however, capital is derived from money rather than from the workers. The antagonistic relation in production is therefore always deduced from the fact that objectified labor, as value embodied in property, is exchanged against living labor, as use-value ~~embodied~~ embodied in the workers. The antagonism in production is seen as a result rather than as a process in itself. It is a result of the separation of the workers

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from property. The process of production is the continual reproduction of this separation. Thus Marx writes: "The more labor objectifies itself, the greater becomes the objective world of value which confronts it as alien, as alien property. Marx ~~emphasizes~~ emphasizing here the transformation of equality into its opposite, of freedom of exchange into domination. The property right, on the side of capital, right based originally on its own labor, becomes the right to appropriate the ~~work~~ labor of another. On the side of the worker, the capacity to labor ~~is~~ is transformed into the duty to labor. ~~As a result~~ this capacity freely transferred into the duty to relate himself to his own labor or his own property as alien property. The complete separation between property and labor appears now as a consequence of the law which proceeded from their identity.

Logically, Marx went very far. He ~~insisted~~ insisted that this separation of what was once identical ~~led~~ led not only to ~~the~~ the independent existence or reification of what was produced. It was more than reification. It was alienation because the result was the product of the producers themselves.

But in the Grundrisse Marx never goes into the antagonistic relation in the process of production itself. For him to see this, it was necessary for the workers' ~~own~~ own resistance to the despotism of ~~the~~ capital in production to become concrete. Meanwhile, the forced character of the labor for Marx is only that the workers are forced into the factory, because in their separation from the means of production, they have no other means of making concrete their abstract capacity to work. Capital is the form in which the capacity of the workers to work can be realized only when they have relinquished all control over it.

The result of Marx's inability to see the despotism of capital over the workers in production itself is that he does not see that the entire working day of the workers on the job produces value. He conceived of the working day as divided into two parts, the necessary labor time producing use-value, ~~and~~ for subsistence, and the surplus-labor time producing exchange value for wealth. The surplus labor time is forced labor time.

For Marx at this time the workers are the pure subjective capacity to labor. (Arbeitsvermögen) He emphasizes this subjectivity and divorces it from objectivity over and over again. He does not see them as a collective power for reconstruction, he underlines continually their absolute poverty as objectivity and only their possibility of becoming a new objective force. To see them not merely as possibility but as actuality, not only as potentiality but as power, he will have had to see the new social power in production of the workers in revolt.

Marx in a footnote in the Grundrisse (427n) suggests that already it may be necessary to show that capital has to deal not with the individual but with combined labor, already a social combined power, in and for itself. The dialectical logic again has opened the road for him to see the cooperation of the workers as a new social force when it appears. But his emphasis throughout is that the relation of the workers to one another is only as a moment of capital, not a relation for themselves, but a relation for others.

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Marx, like Rousseau, was governed by his insight into the
 relation between the inorganic conditions of human existence and human
 existence. Rousseau sought to achieve reunification for the individual,
 the collectivity of labor. Marx therefore counterposed the freely
 associated individuals of a new social order to the compulsorily associated
 individuals of capitalism. The individuals would achieve directly instead
 of through the mediation of the capital let their universal relations with
 nature be again their own. In Marx's dialectical thinking is clear and straightforward
 especially here. This new positive, unmediated unity was still an ab-
 straction. Marx saw it in terms of the machines becoming the property of the
 associated workers. (717)

Marx regarded machines historically as on the one hand, a logical
 development of capital, of objectified labor; and on the other hand, logically
 a universal under which the particular workers became subsumed. But
 the revolt of the workers (against the mutilation and fragmentation of the
 labor) was not yet a reality to him. Therefore he did not see the machines
 antagonistic to the workers in the process of production itself. Instead
 he regarded machines as supplanting the workers, requiring only their
 division, hence reducing them to a subordinate rather than central place
 in production. Machinery, therefore according to his thinking at this time
 was the material basis for the dissolution of capital. "As soon as
 in its immediate natural form has ceased to be the great source of
 wealth, labor, time ceases and must cease to be the measure of wealth and
 therefore exchange value ceases to be the measure of use-value."]

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The second great leap in Capital from the Grundrisse is based on the total crisis for society posed by the capitalist extension of the working day beyond all natural limits and the dehumanization of the producers by the expansion of machinery in the service of capital. (The crisis is what appears in Lenin when he sees that the Social Democracy not only failed to dispel all illusions about reform but plunges society itself into total abstraction in the World War.)

Grundrisse Marx, while insisting on the transitory character of the crisis, sees it as a necessary and historical contribution of capital to the new society, its great "civilizing influence." Capitalism, he says, transcends natural necessity, "even if only in an antagonistic form." It extends the scope of what society regards as necessary labor time only for immediate natural needs and is hence progressive. It expands productivity. The crisis is only a logical necessity for capital. It cannot expand further because the development of productivity and machinery decreases the necessary labor time which the worker must work, while on the other hand, necessary labor time is a condition for capitalist reproduction. ("Capital is the contradiction that it reduces labor time to a minimum while it on the other hand poses labor time as its only measure and source of wealth.")

It is to be noted that in the Grundrisse Marx did not separate the process of production in general from circulation and from capitalist production as a whole. He will need the revolt of the workers to do that. Meanwhile, capitalist necessary labor time is seen always in its material form (as it will be later dealt with in Volume II), and there is no separation of the general contradictions of capital and the falling rate of profit from the actual class struggle in the process of production.

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later, in the same way, when he writes the section on the
 accumulation of Capital, the chapter will be permeated with the
 classes and the bloody methods by which capitalism was ushered
 into the world. The accumulation is still seen mainly in economic terms.
 Marx assumed the natural working day as a
 limit, but he assumed that capital could not only drive beyond
 this limit, but all human limits of the natural working
 day. The accumulation of all the forces of humanity which
 are necessary to society under penalty of death to replace the fragmented
 individual. The crisis was a logical
 crisis arising from logical contradiction, not from the struggle of the
 classes to save society from complete destruction. Compare Marx's conception
 of the historical tendency of Capital Accumulation in Capital with his
 conception of crisis and the development of production in the Grundrisse.

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(I did not edit or prune
this down because I wanted
to convey the generalizations)

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"The creation of absolute surplus value by capital — mere objectified labor — has as its condition that it widens the circle of circulation continually. The surplus value created at one point demands the creation of surplus value at another point, against which it is exchanged. At first this is only production of more gold and silver, more money, so that ~~the surplus value~~ if the surplus value can not become capital immediately again, it exists as the possibility of new capital in the form of money. A condition of production based on capital is therefore the production of an constantly widening circle of circulation, either directly or more points of production. If the circulation appears at first as a given amount, it appears here as moved and extended by production itself. Thereby it appears itself as a moment of production. As capital on its side therefore has the tendency to create ever more surplus labor, it also had the tendency to create more expanding points of exchange; i.e. from the standpoint of absolute surplus value or surplus labor, to elicit more surplus labor as expansion of itself; to propagate basically production based on capital or the mode of production corresponding to it. The tendency to create the world-market is itself given immediately in the concept of capital. Every limit appears as a barrier to be overcome. At first to subordinate every moment of production itself to exchange and to transcend the production of immediate use-values not going into exchange, i.e. to supplant modes of production of a natural kind. Trade appears here no longer as a function taking place in the interim of production for exchange but as the all-essential embracing presupposition and moment of production itself.

"On the other hand, the production of relative surplus value, i.e. production of surplus value based on increase and development of productivity, production demands new consumption. The circle of consumption expands as did the circle of production. First, quantitative extension of existing consumption; second, creation of new needs in a wider circle; third, production of new needs and discover and creation of new use-values; The gained surplus labor not merely a quantitative surplus but continually at the same time increases the circle of qualitative differences of labor (with it of surplus-labor), becoming more manifold, more differentiated. E.g. by doubling of productivity, a capital of 50 needs to be applied where once 100 was needed, so that 50 and a corresponding portion of necessary labor is liberated. The liberated capital and labor will create a qualitatively different branch of production which satisfies and brings forward new needs. The value of the old industry is retained, funds for a new are created, positing the relation of capital and labor in a new form. Thus exploration of the whole of nature in order to discover new useful characteristics of things; universal exchange of products of all strange lands and climates; new artificial preparations of natural objects, by which new use-values are given to them. The exploration of the earth on all sides, both to discover new useful objects and new useful characteristics of the old; new characteristics of these as raw materials; the development of natural science therefore to its highest point; the discovery, creation, and satisfaction of new needs arising out of society itself; the cultivation of all characteristics of social man and production as the richest in needs, because rich in characteristics and relations — its production as the most total and universal social product (for in order to enjoy from all sides, he must be capable of enjoyment, thus cultivated to a higher

12372

is just a condition of production based on capital. Thus not only division of labor, this creation of new branches of production, i.e. qualitatively new surplus time, but the shedding of determined production by itself as the labor of new use-values; development of a constantly expanding and embracing system of ways of labor, ways of production, to which a constantly expanding and rich system of needs corresponds.

"Just as according to the production based on capital, on the one hand, creates universal industry, i.e. surplus labor, value creating labor; on the other hand, a system of the universal exploitation of the natural and human characteristics, a system of universal utility, as whose bearer, science seems as good as all physical and spiritual qualities, while nothing appears as in itself higher and for itself justified beyond this circle of social production and exchange; thus capital creates first bourgeois society and the universal appropriation of nature and universal connections through the branches of society. Hence the great civilizing influence of capital, its production of a stage of society, against which all earlier societies appear as local developments of humanity and idolatry of nature. Nature first becomes a pure object for men, pure thing of utility; ceases to be acknowledged as a power for itself, and the theoretical knowledge of its independent laws appears itself only as a trick in order to subject it to human necessities, either as objects of consumption or as means of production. Capital drives this its tendency beyond national limits and prejudices, beyond deification of nature and produces within limits self-satisfying enclosed satisfaction of present needs and reproduction of altered modes of lives. It is destructive against all these and continually revolutionizing, tearing down all barriers which limit the development of productivity, the expansion of needs, the manifoldness of production and the exploitation and exchange of natural and spiritual powers.

"However, that capital poses every such limit as a barrier and ideally overcomes it does not mean that it has really conquered it, and since every such barrier contradicts its essence, its production itself moves in contradictions which are continually overcome but just as continually set up. Even more. The universality toward which it unceasingly strives finds limits in its own nature, which at a certain stage of its development it itself will recognize as the greatest barrier to this tendency and therefore will itself drive to its transcendence."

(312-314)

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Describing the law of the falling rate of profit, Marx goes on to say:

"This is in every relation the most important law of modern political economy and the most essential to understand the most difficult relations. It is from the historical standpoint the most important law. It is a law which despite its simplicity has never been grasped to now and still less consciously expressed. Since this decline in the rate of profit is equivalent with (1) the already produced productivity and the material basis which it forms for new production; this at the same time presupposes enormous development of scientific powers; (2) with the decline of part of the already produced capital, which must be exchanged against immediate labor, i.e. with the decline of immediate labor which demands for reproduction of an enormous value which expresses itself in greater masses of products, because the total sum of prices is equal to the reproduced capital and profit; (3) with the dimension of capital in general, also that portion of it which is not fixed capital; thus greatly developed trade, great sums of exchange operations, magnitude of the market and all-sidedness of simultaneous labor; means of communication, etc. presence of necessary fund of consumption in order to undertake this monstrous process (the workers eat, live etc.) --- thus it is evident that the already existing material, already worked out, productivity existing in the form of fixed capital, like the scientific power, the population, in short all conditions of wealth, the greatest conditions for the reproduction of wealth, i.e. the rich development of the social individual --- that the development reached by capital itself in its historical development reaches a point which transcends the self-expansion of capital instead of positing it. Beyond a certain point development of productivity becomes a barrier for capital; thus the capital relation a barrier for the development of the productivity of labor. Reaching this point capital, i.e. wage labor in the same relation to the development of social wealth and productivity as crafts, serfdom, slavery, and is necessarily stripped off as a fetter. The last bondage, which human activity assumes, capital and wage labor, is thereby stripped off and this stripping itself is the result of the mode of production corresponding to capital. The material and spiritual conditions of the negation of wage labor and capital, which are themselves the negation of earlier forms of unfree social production, are themselves result of a process of production. In cutting contradictions, crises, convulsions, the growing inadequacy of the productive development of society to its production relations expresses itself. Forceful destruction of capital, not through relations external to it, but as condition of its self-preservation, is the most dramatic form in which advice is given to it to be gone and to give room to a higher state of social production. It is not only the growth of ~~material~~ scientific power but the measure in which it is already posited as fixed capital, the scope, the breadth in which it is realized, and the totality of production it has made possible. The way with the development of population, in short all moments of production... Hence the highest development of productive power together with the greatest expansion of existing wealth will coincide with depreciation of capital, degradation of the labourer, and a most straightened exhaustion of his vital powers. These contradictions lead to explosions, cataclysms, crises, in which by simultaneous suspension of labour and annihilation of a great portion of capital, the latter is ~~reduced~~ violently reduced to the point where it can go on, ~~without committing~~ without committing suicide. Yet these regularly recurring catastrophes lead to their repetition on a higher scale, and finally to its violent overthrow." (636-38)

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12374