

# *Capital and community:*

*the results of the immediate process of production and the  
economic work of Marx*

by Jacques Camatte

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Rob Lucas.

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### *Publishers preface*

This text has been around for six years in photocopy form. Unfortunately only a few copies have been produced and we feel it deserves to be more widely read. It is a heavy read as it deals with complex arguments in some of Marx's writings. It particularly relates to the "*Grundrisse*" and "*The Immediate Process of Production*" both of which have only been available since the seventies. These texts show how shallow the outlook of the Marxists of the Second and Third International, and their acolytes, are. However we have no desire to try and drag Marx out of the mire of leftism, a task which certain communist have attached importance to. From our own studies of Marx, it can clearly be seen that he had many weaknesses (eg: Euro-centrism, German chauvanism). In other words he was human, all too human. We regard the search for a pure Marx, and the pure interpretation of Marx to be a fools errand formulated by those who seek a new Moses with tablets of proletarian truth which merely need to be unearthed and scrubbed clean before being presented to the class. Such fetishisation of a historical figure can only obscure the fact that communism is a product of the class struggle, not of an individuals mind. Marx made a substantial contribution to the communist movement, but he did not invent it. We reject the notion that Marxism is some how essential to the communist movement. However Marx's contribution is an irreversible historical fact. His contribution was made in the material context of his time with all its limitations. We equally dismiss anti-Marxism as being equally perverse as Marxism. Both avoid centring the question of communism on the proletariat.

Attentative readers will notice a substantial variation of viewpoint between the main text (written in the mid-sixties), and the notes added in 1972. Those familiar with the writings of Camatte will be aware of his shift during that period (particularly influenced by the events of May 1968). In particular, Camatte came to deny the central role of class. This we cannot go along with. While it is undeniable that the formation of political classes have gone through substantial changes as capital has developed, we cannot agree that they have been dissolved by the tyranny of capital. Earlier formulations of class have been male-centred and euro-centred, neglecting the reproduction of class through such institutions as the family and the resultant structuring of gender relations. Likewise, the development of capital outside Europe has been quite different from a simple "civilisation of the savages", a perspective often put forward in european workers movement of the last century. It is necessary to dump all the theories of "progress", such that Europe provides the model through which the rest of the world must pass. Through both indifference and ignorance, the communist movement in Europe has shown a tendency to put aside any understanding of the historical development in other geographic zones. *Capital* has shown a remarkable flexibility when it comes to dealing with a wide variety of social and economic relations. To simply term these as pre-capitalist is confusing. Likewise to fit notions of european feudalism or classic slavery around them does little good. However what *Capital* sets out to do is to extract the commodity form from other social relations and integrate them into its world system. But this does not happen without effect *Capital* as a whole, and by the same measure the nature of class formation. Whilst rejecting classic notions of class, we feel it is important to understand how class has been transformed, rather than to abandon class analysis.

RICHARD ESSEX, September 1988

### ***Note on this translation***

The title of the work has been altered from the French in two ways. Firstly, *Gemeinwesen* is given as community as the German word is little used in English texts. Secondly, instead of *The Sixth Chapter*, the *Resultate des unmittelbaren Produktions Prozesses* is translated as *Results of the Immediate Process of Production*.

Page references in the text to works by Marx and Engels refer to a table given below. They are not always simple citations to the English editions, as these are often inadequate. To avoid endless notes referring to German editions, these are given in an appendix of cross-references.

### **Abbreviations used:-**

<b><i>Marx Engels Collected Works (London, 1975-)</i></b>	MECW
<b><i>Marx Engels Selected Works Volume 3 (London, 1970)</i></b>	MESW
<b><i>Marx Engels Selected Correspondence (London 1975)</i></b>	MESC
<b><i>The Letters of Karl Marx ed. S.K. Padover (Englewood Cliffs, 1979)</i></b>	Padover ed.
<b><i>Capital Vols. I, II and III (Penguin ed. Haruiondsworth, 1976, 1978, 1981)</i></b>	<i>Capital</i>
<b><i>Theories of Surplus Value Parts I, II and III (London, 1969, 1969, 1972)</i></b>	TSV
<b><i>Contribution to the Critique of Political Economy (London, 1971)</i></b>	<i>Contribution</i>
<b><i>Grundrisse (Harmondsworth, 1973)</i></b>	<i>Grundrisse</i>
<b><i>Results of the Immediate Process of Production in Capital I</i></b>	<i>Results</i>
<b><i>Notes on Wagner in Theoretical Practice 5 (London, Spring 1972)</i></b>	<i>Notes on Wagner</i>

### **in German:-**

<b><i>Urtext in Grundrisse (Berlin, 1953) pp. 869-947</i></b>	<i>Urtext</i>
<b><i>Marx Engels Werke (Berlin, 1956-68)</i></b>	<i>MEW</i>
<b><i>Marx Engels Gesamtausgabe (Berlin, 1978-)</i></b>	<i>MEGA</i>
<b><i>Resultate des unmittelbaren Produktions Prozesses (Frankfurt, 1969)</i></b>	<i>Resultate</i>

### **in French:-**

<b><i>Marx Oeuvres; Economie I (Paris, 1965)</i></b>	<i>Economie I</i>
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Technical questions on translations of German terms used by Marx are largely dealt with in notes or in the body of the text below (cf. Note on Alienation pp. 104-112; footnotes on pages 25, 37, 46, 91, 94, 96, 116, 134 and 147; in the text proper p. 19 and p. 67), or are simply included in the form of the original German word in brackets in the citations used. In one case (Chapter Seven) this was impossible. Here the term *Empfangsschein* Marx used to translate Gray's "receipt" I have given as labour receipt throughout the chapter, although Marx also uses the terms certificate and even bank note for the same thing in the Contribution ('...an official certificate... i.e. a receipt (*Empfangsschein*) .. and this bank-note (Banknoten) of one labour week...' pp. 83-4). In both the *Contribution* and *Capital II* Marx uses *Anweisung* too (= order, token), while in the Critique of the Gotha Programme simply *Schein* which are translated as token and certificate respectively, although they mean exactly the same as the previous terms.

Finally, questions of French translations of Marx's works dealt with by the author are all given in full as they illustrate many important points. However, it was not felt at all useful to comment on every change we have made in English translations of Marx, also the book would have had to have been considerably extended.

David Brown

London, July 1982

### ***Preface to the French edition: Capital & gemeinwesen***

This was to have been the title to the Italian translation of the following texts: *The Unpublished Sixth Chapter of 'Capital' and the Economic Work of Marx* (1964-6), with the additional notes of 1972; *Theses on Capitalism* (T); *A Propos Capital* (1971); *About the Revolution* (1972). The publishers, Dedalo, thought otherwise, and they appeared instead under the title *il Capitale totale* (1976).

Even if it is true that Marx researched into the becoming of capital as totality, that in no way exhausts the study that he made of capital. One cannot leave out all that concerns the opposition between total capital and particular capitals and the fact that, even when it has reached totality, capital can only live by particularizing itself, by differentiating itself into a large number of capital-quanta. The fact that capital is erected as a material community allows capital to avoid losing itself in all the various processes. This community flourishes on the dead and the reified. But, with the movement of anthropomorphosis, capital becoming man, its community poses as *Gemeinwesen*. Thus men are snared by the being they themselves produced. This again requires the opposition-statement "The human being is the true *Gemeinwesen* (community) of man" (Marx) proclaimed in *Origin and Function of the Party Form* (1961), in the leaflet on the May '68 movement, and in *Proletariat and Gemeinwesen* (1968)<sup>[1]</sup>.

Marx considered the proletariat as being the class that was able to allow the setting-up of the true *Gemeinwesen* hence the profoundly human *dimension* of the proletarian revolution: a revolution in the name of humanity. He also provided many indications on capital's becoming *Gemeinwesen*. This is what we took-up again by trying to push the analysis to the limit, with respect to the recent development of capital. The study was undertaken well before 1961 and was published in *Invariance* Serie II nos. 2-6<sup>[2]</sup> as well as in the text below.

Even if Marx's work is not now operational, I consider, however, what he wrote on the human community remains fundamental. We are always confronted with the realization of capital as *Gemeinwesen* and the possibility of the true *Gemeinwesen* of man: the human being. But instead of conceiving of them as antagonists, which would imply that the latter has to oppose the former, we state that the human community is only realizable if men and women abandon the world of capital.

The material community has become the community for men to the extent that capital is representation. It is not only the socio-economic substrate of their life, it is also their ideality. Men and women must break with this representation. This, will allow them to undertake a different dynamic. Besides, if there are cracks in the base, that is, inside the material community, they will all the more easily be able to question and reject the representation of capital. The break with capital can neither be only passive-determined, nor totally voluntary. That is why it is still necessary to deepen the mode of being of capital so as to be able to escape it and to study in what may really consist the "human being", the "true *Gemeinwesen*" of men and women.

May 1976

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1. *Origin and Function of the Party Form* is available in English from David Brown, BM 381, London WC1N 3XX. The other two texts were republished in *Invariance* Serie III, no. 5-6 pp. 43-6 & 52-3.

2. The majority of these texts have been published in English as follows:

*About the Revolution* and *About the Organization* (cf. pp. 1 -1 below) from no. 2; *The Wandering of Humanity and Decline of the Capitalist Mode of Production or Decline of Humanity?* (Black and Red, P.O.

Box 95, Detroit, Michigan, 48202, USA) and *Against Domestication* (Falling Sky Books, 97 Victoria Street North, Kitchener Ontario, Canada N2H 5C1) from no. 3; *Community and Communism in Russia* (see address in fn. 1 above) from no. 4; *This World We Must Leave* (from no. 5) and *Statements and Citations* (from no. 3) (see address in fn. 1 above)

## ***Introduction***

One has to establish a chronology of Marx's works on economics in order to understand the importance of this unpublished chapter of *Capital*; all the more so because Marx was unable to complete this work. It is vital to discover the common framework, the central preoccupation around which all the works are orientated. Marx himself indicated the line of their development. He speaks in the 'Preface' to the *Contribution to the Critique of Political Economy* of the starting-point provided by Engels' brilliant sketch of the critique of the categories of political economy. This had come ready made, so as to speak. Marx had already shown that the different developments of human activity had one and the same basis: economic production; that on the mode of production depended all other manifestations of human activity, thought in particular. Instead of studying the human consciousness as an independent product, one had to understand the real human life-process. This reversal is given in an extraordinarily, concise form in the famous *Theses on Feuerbach* but it was in the *German Ideology* that he elaborated the method which would be clearly and precisely defined as historical materialism in the 'Preface' to the *Contribution...*. He attempts to demonstrate the new theory in this work: to prove that the economic and social factors are the determining ones. This is why it both contains an initial sketch of what later became the introduction to the critique of political economy (an exposition of the method and plan of the entire work) and outlines the forms that precede capitalist production: the periodization of human history. This was in perfect coherence with the doctrine: history is the only true science. This study did not see the light of day as a definitive work (it was abandoned to the gnawing criticism of mice). Marx and Engels were not excessively attached to it, but its elaboration had allowed them, above all, to attain clarity with the new framework and to master the new theory. Meanwhile, Marx worked actively on a study on economics, which Engels mentions in a letter dated January 20th. 1845:

"See that you finish soon your book on political economy, even if you still should be dissatisfied with much." (Engels to Marx, 20.1.1845 in *MESC* p. 22)

Marx also makes mention of the same subject in a letter to Leske:

"Through a friend of the gentlemen, the publication of my *Critique of the Economy* etc., was, moreover, as good as assured." (Marx to Leske, 1.8.18. In Padover ei. p. 42)

This too remained unpublished during the author's lifetime. It was published after the death of the two friends and translated into English as *Economic and Philosophic Manuscripts of 1844*.

For all that, Marx did not abandon his economic studies and in 1847 he had published *The Poverty of Philosophy* in reply to Proudhon. This is, in a sense, a resume of the preceding work. It concludes the critique of philosophy in the same terms in which it had been conducted in the *Critique of Hegel's Philosophy of Law* and *On the Jewish Question*: it is the proletariat that emancipates human society. Further, here he describes the real movement of this emancipation, the class constituting itself as party. This implies a precise definition of this society and a characterization of future society. 1847 is also the year of *The Manifesto of the Communist Party*. The workers' movement had to have its programme, especially as this movement was increasing (as Marx described in *The Poverty of Philosophy*) the *Manifesto* condenses the essence of all the workers' struggles in the past, both theoretically and practically, and illuminates it with the plain and clear affirmation of communism: but communism stripped of all utopianism, because it is presented for what it is - the real movement of society, of the proletariat towards its emancipation.

Marx's economic works are not at all academic, but are meant for the proletariat, to serve as weapons for its struggle. Thus in 1849 he condensed the results of his research into a series of conferences held in Bruxelles - *Wage labour and Capital*. When the revolutionary wave ebbed, Marx resumed the great economic work that he had undertaken but, as we have already noted, had been unable to publish at the proper moment before the revolution. The programme launched in 1847 needed an unshakeable basis. Marx continued his studies and in 1859 published *A Contribution to the Critique of Political Economy*. This was to mark the starting point of an extremely large work that he would have preferred to have



published as a whole in one chunk. However, he was forced to speed-up its publication because of the economic stupidities being spread-about by many socialist propagandists, Lassalle in particular. The work especially dealt with value during simple commodity circulation and during the transformation of money into capital. But it was too dense and synthetic. Marx wanted simultaneously to provide the critique of the base and the superstructures, an explanation of real phenomena and the theories derived (what was to become the *Theories of Surplus Value*):

"It is at the same time an expose of the system and, through this expose a critique of it." (Marx to Lassalle, 22.2.1858. in *MESC* p. 96)

Hence the double plan of the work: exposition of the economic phenomena and the critique of the different theories put forward concerning the phenomena being studied<sup>[1]</sup>. It was probably due to this over-dialectical exposition (flirt with Hegel!) that the *Contribution* was unsuccessful.

*Capital* appeared when the labour movement was on the upsurge in two of the largest centres at the time; Germany and France. The exposition is more didactic and constitutes the real programme of the proletariat for its emancipation. One can say that it was claimed by the working class, which needed a critical and constructive arm for its daily struggle against capital and the wider struggle leading to capital's destruction. This is the meaning of Marx's exposition to the IWMA at more or less the same time called *Wages Price and Profit*.

As is known, only *Capital* Volume I was published in the author's lifetime. The two other volumes were published by Engels, but he too was unable to complete publication of the work and a large quantity of manuscripts was left over. Kautsky issued only the equivalent of the fourth volume, *Theories of Surplus Value*. There still remained the *Grundrisse* published in German just before the Second World War, the *Results of the Immediate Process of Production* and certainly many other works, especially on the agrarian question.

The study of all these works shows that Marx confronted the critique of political economy in four different ways. The first is that of the *Economic and Philosophic Manuscripts*: wage labour is the basis of capitalist society, since capital is merely objectified labour. Marx explains the alienation about which Hegel wrote: all history is the product of human labour, not only of theoretical and intellectual labour, but also of all labour, of real human activity. Alienation exists in practical life, in real life. It derives from the fact that man has become a commodity in bourgeois society. However, Marx remains largely on the enemy's terrain, in the sense that, like the philosophers and therefore Hegel, he confronts the problem starting from man, from the subject, while the question is: how is the subject itself produced? This also explains why he speaks first of wages, then of capital and landed property, going on later to analyse property in bourgeois society and in communist society. To some extent, therefore, it is the opposite to what he will do later:

"...my *analytic* method, which does not start from *Man* but from the economically given period of society, has nothing in common..." (*Notes on Wagner* p. 52)

The procedure is, therefore, still subjective. It is true that man lies at the centre of the problem (not man as an isolated individual, but rather, social man, the human species; this being already a refutation of the bourgeois position), but one must also show the economic conditions that produce him. It was still too much just a simple refutation of Hegel. Now man can only be the subject in communist society. In class society he is alienated and therefore an object. Whether one is dealing with a proletarian or a bourgeois, it simply means that capital is the subject:

"He who was previously the money-owner now strides out in front as the capitalist; the possessor of labour-power follows as his worker. The one smirks self-importantly and is intent on business; the other is timid and holds back, like someone who has brought his own hide to market and now has nothing else to expect but - a tanning." (*Capital* I p. 280)

The importance of the *Manuscripts* lies in the fact that they register the birth-certificate of communism. In the polemic with the economists, Marx discovers the future form of society, just as he had seen it, felt it in his struggle against Hegel's philosophy and in *On the Jewish Question*. But now he goes further, because he defines its economic base.

The second way of confronting the critique of political economy is that provided by the *Contribution* and by *Capital* Marx starts with something that can easily be established - the commodity (as Lenin says), so as to be able to introduce the problem of value, its different forms, and then to return to simple commodity circulation and to the appearance of capital. Wage-labour, inasmuch as it produces surplus value, then appears to explain the genesis of capital, the genesis of the increase in value without which no formation of capital can occur. This is done by analysing the immediate process of production:

"What I start from is the simplest social form in which the labour product is represented in contemporary society, and this is the '*commodity*'. I analyse this, and indeed, first in the *form in which it appears*." (*Notes on Wagner* p. 50)

The third way is in the fragment of the original version (*Urtext*) of the *Contribution to the Critique of Political Economy*. Marx confronts the problem in the most general way possible the birth of value - and poses the question: how can value achieve autonomy (an established fact in bourgeois society), ceasing to be strictly dependent on the conditions that generated it?

The fourth and last way is to be found in the chapter of the *Grundrisse*, 'Forms which precede capitalist production'. Capitalism can only develop on condition that it frees man and makes him into a commodity. But to do so, it has to destroy the various communities which encompassed him, which were governed, in a more or less debased way, by an economy in which man was the aim of production. In a certain sense, this means the study of the obstacles which hindered capitalist development, the social inertia caused by the various communities, most especially in the Asiatic mode of production, which still survives in India, for example, and makes the economic development of that country so difficult.

The *Results of the Immediate Process of Production* lies where these various methods of exposition converge, and just for this reason allows us to understand the entire work. In a way it provides a key, not to understand *Capital* which is self-sufficient, but to the entire work surrounding it. It allows one to establish connections between works with no seeming interrelationship; it shows the absolute coherence of the whole theory.

All the works that have been mentioned are really only fragments of a single one. This is why it may seem that Marx had different preoccupations, different ways of confronting one and the same problem, because his work could not be published in its entirety. His different plans are illuminating in this respect. Marx provides a simple modification of the *Economic and Philosophic Manuscripts* plan in the *Contribution* for the reasons given in the observations about this work. In the preface to the *Contribution* he writes:

"I examine the system of bourgeois economy in the following order: *capital, landed property, wage-labour; the State, foreign trade, world market*. The economic conditions of the existence of the three great classes into which modern bourgeois society is divided are analysed under the first three headings; the interconnection of the other three headings is self-evident." (*Contribution* p. 19)

This is the same as the plan sent to Engels (Marx to Engels, 2.4.1858. in MEW B. 29 pp.311-18). Marx provides an even more detailed plan in Notebook 18 of 1862, although the fundamental points for the subdivision of the work are identical. Marx indicates "the combination of absolute and relative surplus-value. (...) Productive and unproductive labour." (TSV I p. 414) under point 5. Elsewhere in the sketch of a plan in 1859, he subdivides the study of the same process in the following way:

"1) Transformation of money into capital

α) transition...

β) Exchange between capital and labour power (*Arbeitsvermögen*)..

γ) the labour process...

δ)the valorization process..." (*Grundrisse* German ed. pp. 969-71)

Points γ) δ) are the first two to be considered in the *Results*. Consequently, this text must be analysed in conjunction with the other texts mentioned in order to make a correct appraisal.

Two main questions emerge from all these works (be they completed, or as plans and sketches): 1. the origin of value, its characteristics and forms; 2. the origin of the free worker, the wage-labourer. We shall deal with them in this order and analyse the consequences they imply.

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1. This is also Hegel's method in the *Science of Logic* (note of May 1972)

## ***Chapter 1: The forms of value and the definition of capital***

### (a) The contribution of *Capital* Volume I

#### (b) The contribution of the *Urtext*

#### (c) The contribution of the *Results*

This was the central concern of political economy long before its development as an independent science. A clear reply could only emerge after the facts themselves had been clarified. In other words, it could only appear at a certain level of generalization of the mercantile economy. First men had to have a clear insight into the economic relations determining their material life.

Marx too encountered several difficulties, not so much in grasping what determines value - socially necessary labour-time, but in giving this an historical exposition, that is to say, the forms of value with all the consequences deriving from them;

"Marx elaborated the theory of surplus-value, quite alone and in silence, during the 50s, and he utterly refused to publish any of it until he had fully clarified all the consequences. Hence the non-publication of the second and subsequent books of the *Contribution...*" (Engels to Shmuilov, 7.2.1893, in MEW B. 39 pp. 24-5)

We know that Marx wrote *Capital* instead. While it was being edited, Engels suggested some modifications:

"In these rather abstract elaborations you have committed the great mistake of not making the sequence of thought clear by a larger number of small sub-sections and separate headings." (Engels to Marx, 16.6.1867, in MESC p. 175)

Marx took this into account, and included the appendix 'The Form of Value' in the first German edition<sup>[1]</sup>. It is for this reason that *Capital* Volume I contains an intelligible exposition of the whole matter. However, many of the consequences Engels mentions in his letter to Shmuilov have never been analysed. Thus one must first summarize what Volume I has to say on the subject.

### ***A. The contribution of *Capital* Volume I***

In the course of history, all the products of human activity, even those merely filtered through labour, become commodities, while a parallel process makes one commodity into a general equivalent against which all other commodities are measured. This is gold, money. This means that exchange-value progressively becomes the dominant factor, displacing the use-value of the products of human activity.

Such a transformation presupposes the simultaneous transformation of concrete into abstract labour, that is, products progressively lose their characteristic of being the result of the particular activity of man, to take on that of being a product of human labour. At this level of generalization of commodity production, man himself becomes a commodity - the labour power which can sell itself. And it is this particular commodity which generates surplus-value, through its consumption in the production process. This happens in the following way: the capitalists who own the means of production assure the existence of the worker, a person expropriated of his own means of production, reduced to the state of absolute dependence since he is the master of nothing except his own labour power, which can only be effective, and so real, when he comes into contact with the means of production which are in the possession of the capitalist<sup>[2]</sup>. The latter consents to give him wages, i.e. a certain quantity of money allowing him to buy on the market, owned by the capitalists, the means of subsistence necessary to maintain his material life, on condition that the worker alienates his labour-power, which the capitalist will use as he wishes, according to the requirements of the production process itself. Now the origin of surplus-value is quite clear - the use of the labour-power generates more products than are necessary to reproduce it. This first form of surplus-value is absolute surplus-value. It derives from the prolongation to the maximum of the time during which labour power is

used, with the purpose of creating the largest possible quantity of products: prolongation of the working day in order to increase the fraction of it the worker works unpaid for the benefit of the capitalist.

The struggle of the proletariat against the unchecked exploitation engendered by this striving for absolute surplus-value forces the capitalist to introduce machines, docile instruments. At this point, the extraction of surplus value is performed indirectly by increasing the productivity of labour. The machine, above all, subjugates man, as has already been described in the *Economic and Philosophic Manuscripts*:

"The machine accommodates itself to the *weakness* of the human being in order to make the *weak* human being into a machine." (MECW 3 p. 308)

Besides, the machine causes a considerable increase in the productivity of labour. A greater quantity of products is generated by the same quantity of labour. The unit-value of products is diminished, and, in particular, that of the means of subsistence required by the worker. The commodities produced by capital contain decreasing amounts of paid labour. The working day can thus stay unchanged, since the fraction of it that the worker works to reproduce his own wages is diminished, given that the sum of values of the means of subsistence required for his subsistence diminishes too. Direct physical coercion gives way to indirect economic coercion. For this to be exercised with certainty implies capital's domination over all the mechanisms of the economy, with the scope of being able to exert this overall pressure: it is done in such a way that the proletariat can do nothing except submit or die of hunger. Capital also subordinates science, and not just to incorporate it in the production process, but also as a theoretical weapon, to show the proletariat that production could not take place in any other manner.

## ***B. The Contribution of the Urtext***

Marx vigorously and decisively exposes the secret of capitalist production - the exploitation of the proletariat; he explains the genesis of surplus-value and, refuting the economists, who want to posit capital as an eternal form of production, shows that capital is a social relation. But the epigones of capital can maintain their theory as they reason from appearances, because:

"Although it is thus correct to say that exchange-value is a relation between persons, it is however necessary to add that it is a relation hidden by a material veil." (*Contribution* p. 34)

This relation is masked all the more as exchange-value, born in the sphere of commodity circulation, becomes increasingly autonomous.

This is what Marx analyses in the fragment of the original version of the *Contribution.. (the Urtext)* Although the concept of autonomization appears in other texts, only here does it lie at the heart of the explanation. In the *Grundrisse* Marx uses it as a concept he has already acquired and defined in other works; likewise in the *Contribution..* and in *Capital*. Hence the interest in the *Urtext*. It opens with the analysis of the forms of value (like *Capital*). He starts from the simple form (x commodity A = y commodity B), going on to the most developed form - the money form, making clear what is essential in this circulation. It is through circulation that commodities are brought together, compared and thus become equivalents:

"... gold is a commodity distinct from wheat, and only circulation can show whether the quarter of wheat is actually turned into an ounce of gold as has been anticipated in its price." (*Contribution* p. 69)

"commodities must enter the exchange-process as objectified universal labour-time, on the other hand, the labour-time of individuals becomes objectified universal labour-time only as a result of the exchange process." (ibid. p. 45)

The material veil really appears in circulation. It is during circulation that value is realized and its autonomization takes place. For this reason, the first economists saw in circulation the essential moment in value creation. But this is false, as we know from the explanations of the classical economists, and of Marx in particular: the increase in value is realized in the sphere of circulation, but arises in the sphere of production. Marx adopts the starting-point of the fact of the appearance of the phenomenon; he shows it in its becoming, explains the contradiction that it implies, and succeeds, by analysing these, in grasping the secret of the real movement:

"Hence money as distinct from the medium of circulation must be derived from C-M-C, the immediate form of commodity circulation." (*Contribution* p. 123)

"The first phase of circulation is, as it were, a theoretical phase preparatory to real circulation. Commodities, which exist as use-values, must first of all assume a form in which they *appear* to one another nominally as exchange values, as definite quantities of objectified *universal* labour-time. The first necessary move in this process is, as we have seen, that the commodities set apart a specific commodity, say, *gold*, which becomes the direct materialization (*Materiatatur*) of universal labour-time or the universal equivalent." (ibid. p. 65)

This is the beginning of the autonomization of exchange-value; but for this to be fully realized, gold must be a variable quantity which can be used as a measure of value.

"Gold must be in principle a *variable* value, if it is to serve as a measure of value, because only as materialization of labour-time can it become the equivalent of other commodities." (ibid. p. 67)

In fact, gold can perform this function, and Marx makes a long analysis of precious metals as the bases of the monetary function (cf. *Urtext* and *Grundrisse*). Gold can function as equivalent for all commodities, and for any individual part of them whatsoever. Hence its autonomization and magical character. Once he arrived at this stage of the analysis, Marx studied the limits to the autonomization of money, and the conditions which allow exchange-value to become really autonomous. This opens the way to studying the transition from money to capital.

"Circulation has as its starting-point the two determinations of the commodity: use-value and exchange-value. If the former predominates, circulation ends in the autonomization of use-value; the commodity becomes an object of consumption. If the latter, circulation ends in the second determination, the autonomization of exchange-value. The commodity becomes money. But it only assumes this determination through the process of circulation, and it continues to be determined in relation to circulation. In this determination, it develops further as objectified universal labour time - in its social form. It is from this side that the further determination of social labour (which first appears as exchange-value of the commodity, then as money) must arise. Exchange-value is the social form as such; its further development is therefore the development of, or the deepening in, the social process which throws the commodity onto its surface." (*Urtext* pp. 930-31)

Here Marx deals with the transformation of money into capital, the circulation of which will realize the opposite of the circulation of commodities:

"In the movement C-M-C, the material (*das Stoffliche*) appears as the intrinsic (*eigentliche*) content of the movement; the social movement only as a vanishing mediation to satisfy human needs." (ibid. p. 925)<sup>[2]</sup>

The commodity becomes money, and hence autonomous exchange-value. To explain the autonomization, exchange-value must be analysed in greater detail.

"As previously we took the commodity as our starting-point, we now take exchange-value as such - its autonomization is the result of the circulation process we find that:

1) Exchange-value exists doubly, as commodity and as money; the latter appears as its adequate form; but in the commodity (as long as it remains a commodity) the money is not lost but exists as its price. The existence of exchange-value is thus doubled (*verdoppelt*) once as use-values, then in money.<sup>[3]</sup> But both the forms may be exchanged (*sich austauschen*) and, through mere exchange, the value does not diminish.

2) For money to preserve itself as money, it must, just as it appears as a precipitate and result of the circulation process, be able to re-enter it; i.e. not to become, in circulation, mere means of circulation which disappear in commodity form in exchange for mere use-value." (ibid. p. 931)

This exchange-value can only become autonomous "as a process; no longer as a mere vanishing form of use-value, indifferent to the use-value's material content, still a mere thing (*Ding*), in the form of money." (ibid. p. 931)

But, at this point, circulation itself undergoes some changes and it is:

"no longer as a merely formal process in which the commodity passes through its various determinations, (as in the case of simple commodity circulation - ed.) but exchange-value itself, moreover exchange-value measured in money, must appear as a presupposition itself, as posited by circulation; and, as posited by circulation, its presupposition. Circulation itself must appear as a moment of the production of exchange-values (as the process of production of exchange-values)." (ibid. pp. 931-2)

The contradiction which is implied by the circulation of money is now posed; a contradiction which led the economists to make a mistake. They reasoned from the apparent phenomenon. Apparently, in fact, we are confronted by a relation between things which are in the sphere of circulation. Then it is seen, at a given moment, that the value has increased. Let us follow Marx's analysis, which will enable us to unveil the mystification of things:

"This *valorization, quantitative increase of value* - which is the only process which value as such can perform - appears in money-accumulation only in opposition to circulation, i.e. through its suspension. Circulation must rather become posited as the process where it (value) is preserved and valorized. But in circulation, money becomes coin, and as such is exchanged with commodities." (ibid. p. 932)

In other words, circulation must in some way contain a productive phase, in the course of which valorization takes place, i.e. the growth of value. Marx then states the characteristics of this circulation, and the conditions which allow value to attain autonomy:

1. "If this change is not to be merely formal - or if exchange-value is not to be lost in the consumption of the commodity - (...) then exchange-value must really be exchanged for use-value, and the commodity must be consumed as use value, but preserve itself as exchange-value in this consumption, or its disappearance must disappear, and itself be only the means for the arising of a greater exchange-value (here the definition of the commodity as the product of capital is anticipated - ed.), for the production and reproduction of exchange-value *productive consumption*, i.e. consumption through labour, in order to objectify labour, to posit exchange-value." (ibid. pp. 932-3)

2. "To become autonomous, exchange-value must not only leave circulation as a result, but it must be able to re-enter it, to preserve itself in it, when it becomes a commodity." (ibid. p. 933)



3. Moreover, it cannot be the question of a simple quantitative movement, as in the case of money:

"As the form of universal wealth, autonomized exchange-value, money is capable only of a quantitative-movement, to increase itself. According to its concept, it is the quintessence of all use-values; but as an amount of money that is always determined, a determined sum of gold and silver, its quantitative barrier (*Schranke*) is in contradiction with its quality." (ibid. p. 936)

4."As long as money, i.e. autonomized exchange-value, only preserves itself against its opposite, use-value as such, it is in fact capable only of an abstract existence. It must preserve itself in its opposite, in its becoming use-value, and at the same time grow as exchange-value (i.e. the consumption of this use-value generates exchange-value and therefore there cannot be indifference with regard to the quality of this use-value - ed.), thus it must transform the consumption of use-value - its active negation and likewise position - into the reproduction and production of exchange-value itself." (ibid. pp. 939-40)

In this case, which exchange-value can completely fulfill these functions and these conditions? Capital.

"The money which is made autonomous and results from circulation as adequate exchange value, but which re-enters circulation and perpetuates itself and valorizes itself (multiplies itself) in it and through it, is capital." (ibid. p. 937)<sup>[4]</sup>

After this definition, derived from the study of circulation and autonomization of exchange value, Marx characterizes capital.

1. "The imperishability to which money aspires, relating negatively to circulation (withdrawing from it), is attained by capital precisely by the fact that it abandons itself to circulation. Capital, as the exchange-value presupposing circulation, is presupposed by it and preserving itself in it assumes in turn the two moments contained in simple circulation, but it does not transfer from one form to the other, as in simple circulation, but in each of the determinations is at the same time the relation with the opposite." (ibid. p. 938)

2. "It is not this or that commodity, but can become metamorphosed into every commodity, and in every one of these it continues to be the same amount of value and to be value in relation to itself as an end in itself." (ibid. p. 941)

3. Besides, it no longer loses itself in circulation, since "it passes from its form as money into that of any commodity whatsoever" and its "autonomization now consists only in this, that the exchange-value holds itself fast as exchange value, whether it exists in the form of money or in the form of commodity, and only converts into the form of commodity in order to valorize itself." (ibid. pp. 941-2)

But since "as exchange-value, exchange-value can in general only become autonomous when confronting the use-value that faces it as such" (ibid. p. 942), we must know what the use value is that can be productively consumed, and thus oppose itself as use-value and exchange-value. It is labour, or, more exactly, labour-power. "The only *use-value which can form an antithesis and constitute money as capital is labour.*" (ibid. p. 943) This is why the content of the use value in this exchange cannot be a matter of indifference: "The exchange through which money becomes capital cannot be in the exchange with commodities, but in the exchange with its conceptually (*begrifflich*) determined antithesis (*Gegensatz*) the commodity which is in conceptually determined antithesis to it - labour." (ibid. p. 944)

"So it is only through the exchange of money with labour that its transformation into capital can take place. *The use-value with which money insofar as it is potential capital can be exchanged can only be the use-value from which exchange value itself arises, generates itself and grows. But this is only labour.* Exchange-value can be realized as such only confronting the use-value - not this one or that one - but the use-value in relation to itself. This is labour.



Labour capacity itself is the use-value whose consumption immediately coincides with the objectification of labour, thus with the positing (*Setzung*) of exchange-value. For money as capital, labour capacity is the immediate use-value for which it must exchange itself. In simple circulation, "the content of the use-value, was a matter of indifference, it fell outside the economic form-relation (*Formbeziehung*). But here it is the latter's essential economic moment." (ibid. p. 944)

In other words, wage-labour is a fundamental characteristic of the capitalist mode of production. Mercantile production was able to dissolve other modes of production, other determined production relations, but still, by itself, it was unable to found a new society. "Since exchange-value preserving itself in exchange is determined by the fact that it is exchanged with the use-value that opposes it according to its own form-determination (*Formbestimmung*). (ibid. p. 944)

"The real non-capital is work itself." (ibid. p. 943) Consequently, capitalism can only fully develop itself when all human labour has become abstract labour. It appears, therefore, that the analysis of the commodity - use-value corresponding to concrete labour - is insufficient to explain the transformation of money into capital. Also, the study of the circulation of exchange-value has made evident the fact that, to attain autonomy, exchange-value must contain within itself a productive phase, in the course-of which its opposite - a particular use-value - is consumed (productive consumption) and engenders exchange-value. Capital can only appear in this way<sup>[6]</sup>.

"In capital, money has lost its rigidity and, from a tangible thing, has become a process." (ibid. p. 937) So it is necessary to determine this process whose essential moment is immediate production, that is, the process in the course of which exchange-value (and therefore capital) is created, in the course of which there is the productive consumption of labour-power. It is here that the *Results of the Immediate Process of Production* ('The Unpublished Sixth Chapter of *Capital*') concludes the study undertaken in the two texts we have analysed above, and resolves the contradiction posed by the apparent phenomenon.

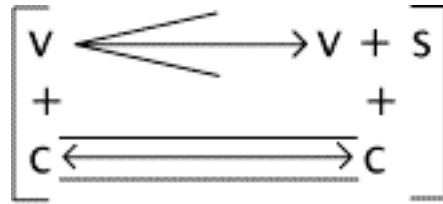
### ***C. The contribution of the Results of the Immediate Process of Production***

To understand this process, we must adopt two new distinctions: the labour process, which comprizes the confrontation of man with the means of production, and the valorization process, which comprizes, on the one hand the conservation of value and, on the other, the creation of an increase in value, so that "instead of the *value* of the variable portion we now have *valorization* as a process." (*Results* p. 985)<sup>[6]</sup>. The immediate process of production is the *unity* of the two.

These distinctions are to be found throughout Marx's works on economics; for example, in *Capital* Volume II, when he criticizes the different theories of fixed capital, or when he deals with 'The Reproduction and Circulation of the Total Social Capital'. Moreover, it is here, besides in the *Results* (and also the *Grundrisse*, where these concepts are fully developed), that we find the clearest exposition of these two elements of capital's process of production:

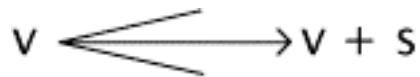
"The immediate production process of capital is the process of labour and valorization, the result of this process being the commodity product, and its determining motive the production of surplus-value." (*Capital* II, p. 14.27)<sup>[7]</sup> Before continuing, we should make two observations:

1) We indicated in a very suggestive manner the unity of the two processes (without yet knowing of the *Results*) in the 'Abaco' of *Capital* Volume I. We represented the immediate process of production as follows:



v + c set out vertically indicating the labour process in capitalist society; the relation between living labour - variable capital and dead labour - constant capital. The valorization process is indicated in the two horizontal relations:

a) the aspect of the conservation of value advanced in the form of the means of production



b) the aspect of value creation (evidently here there is also the conservation of value, since it is necessary firstly that v is restored before production of s to take place. Only this aspect is much less important here than in the preceding instance. It is masked by the phenomenon of value creation.) 2) There is a labour process in all modes of production. But, as products were transformed into commodities, there was the parallel creation of a valorization process which assumed increasing importance until, with capitalism, it supplanted and masked the labour process. Hence the mystification that overcomes the vulgar economists, blinded by the valorization process. Hence also Marx's observation in *Capital* Volume I:

"When, at the beginning of this chapter, we said in the customary manner that a commodity is both a use-value and an exchange-value, this was, strictly speaking, wrong. A commodity is a use-value or object of utility, and., a 'value'. It appears as the two-fold thing it really is as soon as its value possesses its own particular form of manifestation, which is distinct from its natural form. This form of manifestation is exchange-value, and the commodity never had this form when looked at in isolation, but only when it is in a value-relation or an exchange-relation with a second commodity of a different kind. Once we know this, our manner of speaking does no harm; it serves, rather, as an abbreviation." (*Capital* I p. 152)

There were societies where value did not exist, there will be a society where value will have been destroyed: communism.

But let us return to the immediate process of production:

"...the labour process is single and indivisible. The work is not done twice over, once to produce a suitable product, a use-value, to *transform* the means of production into products, and a second time to generate *value* and *surplus-value*, to *valorize value*." (*Results* p. 991)

The immediate process of production is the indissoluble unity of the labour process and the valorization process; here the characteristics therefore proceed to the level of production.

"The process of production is the *immediate* unity of labour process and valorization process, just as its immediate result, the commodity, is the *immediate* unity of use-value and exchange-value." (ibid.)

To get a better grasp of this becoming of value that valorizes itself in the course of the production process, two more concepts should be specified: dead labour and living labour. We have seen that to understand

circulation, we needed to know that every commodity has a use-value and an exchange-value, corresponding respectively to concrete and abstract labour. To understand the transformation of money into capital, it was necessary to go into the production process, which divides into labour process (use-aspect) and valorization process (exchangeaspect); now, inside this labour process, we must distinguish between labour that is dead, accumulated, objectified; that is the means of production have the character of exchange-value (constant capital), and living labour, labour-power with the character of use (variable capital).

"The distinction between *objectified* and *living* labour manifests itself in the actual process of labour... Furthermore, in the labour process, objectified labour constitutes an *objective factor* an element for the *realization* of *living labour*. (ibid. p. 993)

In this sense, dead labour has a use-aspect, nevertheless it primarily appears with the determination of exchange-value.

So this is the becoming:

"To the extent to which past labour replaces living labour, it itself becomes a process, *valorizes itself* it becomes a fluxion that creates a fluxion. This absorption into itself of additional living labour is the process of *self-valorization*, its authentic *transformation into capital*, into value generating itself; its transformation from a *constant amount of value* (*Wertgrösse*) into a variable amount of value *in process*. (ibid. p. 994)

Thus, after the definition derived from circulation, we have the one that comes from production. Capital is objectified dead labour and is repeatedly brought back to life by the living labour that it incorporates; in a seemingly endless cycle. This last definition includes the first, provided by the *Urtext* - capital as value in process - because now we know that this process comprises; it can only take place by subjugating labour.

"On the other hand, an existing amount of value - or money - becomes *real* capital only when; firstly as self-valorizing value, represented as value *in process* and this it achieves when the activity of labour-capacity (*Arbeits- vermögens*) labour, is incorporated in the production process and becomes its property; secondly it must yield *surplus-value* as distinct from its original value, and this in turn is again the product of the objectification of surplus labour." (ibid. p. 1016)

"Within the production process labour is transformed into capital." (ibid.) The material veil is torn aside. The relation between men becomes clear; the relation between capitalists and proletarians which the vulgar economists, ardent defenders of capitalism, have every interest in masking (as all their epigones did and still do). However, Marx pushes on still further, and shows that what appeared as a thing is still the product of a relation between men: constant capital is materialized, crystalized, objectified labour, and consequently:

"The entire process is a traffic between objectified and living labour." (ibid. p. 1018)

This way of considering the transformation of money into capital also explains why Marx, both in the *Urtext* and in the *Results* speaks of labour-capacity rather than of labour-power, as he does in *Capital* He is analysing a process in its becoming: the moment in which the essential transformation is-about to take place -. it is no accident that he resorts to mathematical terminology in the *Results* in order to determine the precise instant at which the increase in value will take place, and will be able to show its own differential. Thus he shows that exchange value can only increase itself by exchange with a use-value capable of creating value. Later, when the secret of the metamorphosis of money into capital has been discovered, it is no longer necessary to present the process in this form. It is no longer a question of capacity, but of given facts, which are realized concretely. What is really consumed is not labour-capacity, which stays something potential, but a power:

"Money is now *objectified* labour, whether it possesses the form of money or of a particular commodity. No objective mode of being of labour is opposed to capital, but all of them appear as possible modes of existence for it, which it can assume through a simple change in form, going from the money form over into the commodity form. The only antithesis to *objectified* (*vergegenständlichte*) labour is *unobjectified* labour; in antithesis to *objectified* (*objectivierten*) labour, *subjectified* labour. Or that labour that is present in time, living, in antithesis to labour past in time, but existing in space. As labour that is present in time, unobjectified (and thus also not yet objectified), this can only be present as *capacity*, possibility, ability, as *labour-capacity* of the living subject. Only living labour-capacity can form the antithesis to capital, independent objectified labour preserving itself, and, so the only exchange by means of which money can become capital is that which the owner of the latter concludes with the owner of living labour-capacity, i.e. the worker." (*Urtext* p. 942)

As we have already mentioned, this is why Marx adopted the subjective aspect as his starting point in the *Economic and Philosophic Manuscripts* the aspect of wage-labour. This in no way contradicts the fact that, later, it is capital that tends to appear as the true subject. Marx explains it in the expose of the mystification of capital.

He has thus replied while moving on the very terrain of his adversaries: certainly there can be an increase of value through exchange, but only during one particular exchange, that of objectified labour for living labour. This exchange can only be real when the use-value is consumed, and it can only be productively consumed; which explains the necessity of an immediate process of production. The resulting product requires an exchange in its turn similar to the exchanges in the simple circulation of commodities - so that this value can be realized.

The contradiction put forward, albeit in a different manner, in *Capital* Volume I is thus resolved:

"The transformation of money into capital has to be developed on the basis of the immanent laws of the exchange of commodities, in such a way that the starting point is the exchange of equivalents." (*Capital* I p. 268)

The metamorphosis from money-owner into capitalist 'must, and yet must not, take place in the sphere of circulation.'" (*Capital* I p. 269)

We saw elsewhere how the same requirement arose in simple circulation; values must be realized in circulation, but are produced in a different sphere. Circulation was realization and materialization of their labour-time. In the case of capital, the difficulty lay in the fact that apparently it is a question of explaining not an equivalence, but rather a non-equivalence.

We took circulation as our starting point to show that it posited the realization of something produced in another sphere, the sphere of production. But also "under the veil" we finally rediscovered the "relation between men". This is the same result arrived at in *Capital* Volume I.

We found the same procedure in the *Grundrisse* i.e. explanation of the real movement - the birth of capital from circulation itself. Capital appears right from the start as a quantum of value in continuous movement. Marx did not want to abstract from the various stages of the movement to analyse them separately, but wanted rather to show the movement in its totality, with its inherent contradictions, because it asserted itself historically in exactly this way. In *Capital* by simplifying the exposition to make comprehension of the phenomenon more accessible, he posits capital's contradiction right from the start, isolating it from the movement in order to dissect it. In the *Grundrisse* we again find the content of the *Urtext*, although it is less centred on the phenomenon of autonomization. And since this work is the very expression of Marx's thought, we will refer to it again. It integrates, even if in a form that is neither fully developed nor explicit, all the facts of the historical movement which Marx wanted to retranslate in all its complexity.

Finally, "the product of capitalist production is not value, but surplus-value" (*Results* passim). Hence the whole difference between circulation in the period of simple commodity circulation, and circulation in the capitalist period. The latter seems to be determined by an exchange 'between non-equivalent quantities. This explains the new distinction, made this time between necessary labour-time and surplus labour-time, inside living labour. In the course of the labour process, the proletarian *restores* the advanced value, which corresponds to his wages; but also creates an additional value during a determined fraction of his working day; and the surplus-labour corresponds to surplus-value.

This is, moreover, a fully developed reply to the two objections raised by the opponents of the law of value, already indicated by Marx in the *Contribution*:

"*One.* Labour itself has exchange-value and different types of labour have different exchange-values. If one makes exchange-value the measure of exchange-value, one is caught up in a vicious circle, for the exchange-value used as a measure requires in turn a measure. This objection merges into the following problem: given labour-time as the intrinsic measure of value, how are wages to be determined on this basis. The theory of wage-labour provides the answer to this.

"*Two.* If the exchange-value of a product equals the labour-time contained in the product, then the exchange-value of a working day is equal to the product it yields, in other words, wages must be equal to the product of labour. But in fact the opposite is true. *Ergo*, this objection amounts to the problem, how does production on the basis of exchange-value solely determined by labour-time lead to the result that the exchange-value of labour is less than the exchange-value of its product? This problem is solved in our analysis of capital." (*Contribution* pp. 61-2)

This is precisely what we saw in the study of the immediate process of production, and in particular in the valorization process.

The various parts of Marx's work correspond to and complete each other in a vast, harmonious unity, where it seems impossible to find a mistake, or the slightest contradiction. Thus the favourite method of our opponents, who want to reduce the work into fragments to set one against the other, in order to find a contradiction that might discredit the whole, has always ended up by exposing their own impotence in understanding the great theory, in which the various elements are in mutual agreement.

We again find the same agreement, the same harmony, between the *Economic and Philosophic Manuscripts* and the *Results*. In the latter, Marx decisively investigates the social relations inside capitalist society and arrives at the following conclusion:

"Capital is not a *thing* any more than money is a *thing*. In capital, as in money, certain *specific social relations of production between people appear as the natural social properties of things.*" (*Results* p. 1005)

The entire socio-economic movement shows that it is not man who dominates, but the object: "It is not the worker who buys the means of production and subsistence, but the means of subsistence that buy the worker to incorporate him into the means of production." (*ibid.* p. 1004) Man is commodity: it is the reification of which Marx speaks in the *Economic and Philosophic Manuscripts* and which he will take up again in *Capital* Volume III:

"Production does not simply produce man as a *commodity*, the *human commodity*, man in the role of *commodity*; it produces him in keeping with this role as a *mentally* and physically *dehumanized* being.- Immorality, deformity, and dull "ing of the workers and the capitalists.- Its product is the *self-conscious and self-acting commodity ... the human commodity.*" (MECW 3, p. 284)

But, as we have mentioned, the method is still subjective in the *Economic and Philosophic Manuscripts*:

"Just as we have derived the concept of *private property* from the concept of *estranged, alienated labour* by *analysis* so we can develop every *category* of political economy with the help of these two factors; and we shall find again in each category, e.g. trade, competition, capital, money, only a *particular* and *developed expression* of these first elements." (ibid. p. 281)

Marx still lingers too long over the analysis of the superstructures, the forms of property linked only with alienated labour; thus he can define capital as "private property in the products of other men's labour" (ibid. p. 246) or "*stored-up labour*" (ibid. p. 247). Definitions like these, however apt, are still too static, and alone do not permit one to grasp the roots of human alienation. The definition given in the *Results* (following that of the *Urtext*) capital as value that valorizes, value in process, clarifies and illuminates the entire development of the social production process. There is certainly appropriation of the labour of others, surplus labour, - by means of the appropriation of the product of living labour but this has as its purpose the valorization of the value advanced. All in all, this results in "this reduction of the greater part of mankind to abstract labour." (ibid. p. 241) This is the consequence of the autonomization of value.

However, it is not only a question of showing how the *Results* provide a better explanation of certain facts; we must also show how it is a synthesis, it "articulates" the whole corpus of Marx's work.

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[\*] *Das Kapital* (Hamburg, 1867) 'Anhang zu Kapitel I,1: Die Werthform' (pp. 764- in English 'The Value Form' in *Capital and Class* no. 14., Spring 1978.

1. "The worker has to struggle not only for his physical means of subsistence; he has to struggle to get work, i.e. the possibility, the means, to perform his activity." (*Economic and Philosophic Manuscripts* in MECW Vol. 3 p. 237)
2. We shall return to this central passage because it poses that it is the economic movement which will give a content to the social movement, giving it its materiality so as finally to supplant it, becoming itself the social movement.
3. "While commodities thus assume a dual form in order to represent exchange-value for one another, the commodity which has been set apart as universal equivalent acquires a dual use-value. In addition to its particular use-value. as an individual commodity it acquires a universal use-value." (Contribution p. 47)
4. "The first determination of capital is, then this: that exchange-value deriving from circulation and presupposing circulation preserves itself in it and by means of it..." (Grundrisse pp. 259-60)
5. The concept of productive consumption is essential (central) because it allows us to grasp the difference between previous modes of production and capitalism, as well as capitalism's characteristic of over-production. "The transformation of money capital into productive capital is the purchase of commodities for the purpose of commodity production\*. It is only in so far as consumption is productive consumption of this kind that it falls within the actual circuit of capital; the condition for consumption to occur is that surplus-value is made by means of the commodities thus consumed. And this is something very different from production, even commodity production, whose purpose is the existence of the producers; such a replacement of commodity by commodity conditioned by surplus-value production is something quite other than an exchange of products that is simply mediated by money. But this is how the matter is presented by the economists, as proof that no overproduction is possible." (Capital II p. 155) \* Rubel indicates that Engels leaves out the following phrase here: "that is, capitalist production of commodities".

6. "Capital is not a simple relation, but a process..." (Grundrisse p . 258) Marx indicates in the Theories of Surplus Value that this can be both real and paradoxical: "This autonomization becomes even more evident in capital, which, in one of its aspects, can be called value in process - and since value exists independently only in money, it can accordingly be called money in process as it goes through a series of processes in which it preserves itself, departs from itself, and returns to itself increased in volume. It goes without saying that the paradox of reality is also reflected in paradoxes of speech which are at variance with common sense and with what vulgarians mean and believe to talk of, understand themselves." (TSV III p. 137) (When we edited this text, we did not previously take the precaution of rereading Marx's works in German; hence our mistaken statement that the definition of capital as value in process is to be found only in the *Grundrisse* and in the *Results*. However, in *Capital* Volume I, Part Two 'The Transformation of Money into Capital', we find "Value therefore now becomes value in process, money in process, and, as such, capital." (p. 256) Knowledge of the works in their original language leads us to modify our judgement in this work that we had of them, but in no way alters the demonstration on the subject of the importance of the definition of capital as value in process. - Note of May 1972)

7. *Capital* Volume I, Part Three contains the chapter entitled 'The Labour Process and the Valorization Process' (pp. 283-306), (MEW B. 23 pp. 192-213)

8. This aspect of the valorization process already implies the rationalization of production. Wasting of the means of production is to be avoided. (Cf. *Capital* Volume III, Chapter 5 p. 170 'Economy in the Use of Constant Capital'). (The formula was constructed by Bordiga and published in French in *Programme Communiste* no. 10, 1960. Note of May 1972)



***Chapter 2: The importance of the definition of capital as value in process and the consequences implied in this***

- (a) The importance of the definition of capital as value in process
- (b) Consequences of the definition of capital as value in process
- Note on the immediate process of production of capital (1972)

***A. The importance of the definition of capital as value in process***

"To develop the concept of capital it is necessary to begin not with labour but with value, and, precisely, exchange-value already developed in the movement of circulation. It is just as impossible to make the transition directly from labour to capital as it is to go from the different human races directly to the banker, or from nature to the steam engine." (*Grundrisse* p. 259)

The appearance of capital thus presupposes a long historical development, in the course of which we can see exchange-value progressively approaching autonomy. As a corollary, this implies that it is not possible to consider capital only as "accumulated (realized) labour (properly objectified. labour), which serves as the means for new labour (production)...this refers to the simple material of capital without regard to the determination of form without which it is not capital." (*Grundrisse* p. 257) To examine the material aspect the content means again to become victim of appearances, as were the Physiocrats in their analysis of surplus-value. They conceived of it as bound only to agriculture, a branch of production in which surplus labour was obvious, clearly and distinctly in specific quantities of material. However, the material aspect masks the real movement, the true being of capital. It is not by chance that Marx several times criticized the notion that capital is a sum of values.

"If I state, like for example Say, that capital is a sum of values (*Summe von Werten*), then I state nothing more than that *capital = exchange-value*. Every sum of values is an exchange-value, and every exchange-value is a sum of values. I cannot get from exchange-value to capital by mere addition. In the pure accumulation of money, as we have seen, the relation of capitalizing is not yet posited." (*ibid.* p. 251)

This definition, which could be valid for a given quantity of money in the period of simple mercantile production, is absolutely insufficient for capitalism. In the *Results* Marx starts out from money as a sum of value to explain the formation of capital: "capital exists here as yet only as a *given sum of value* (*Wertsumme*) = M (money), in which all use-value is extinguished, so that nothing but the monetary form remains." (*Results* p. 976) Or: "If the original capital is a sum of value = x" (*ibid.*). So it was necessary to explain how a given sum of value is capable of generating an increase. As we have seen, capital only grows by absorbing a particular commodity: labour-power. It becomes simultaneously commodity and money in this operation; it unites the two phenomenal appearances of value and can later present itself in one form or the other.

Say's definition is only a different formulation of the one given by Smith, who considered capital as the sum of revenues: wages, profit and ground rent. In this there was a glaring contradiction, in the sense that conditions of production (wages) were mixed together with its products (profits and ground rent). Hence Smith evidently entered a blind alley when he wanted to study the reproduction of capital. If, instead, capital is considered as value in process, it is clear that it then becomes possible to analyse the movement of the process's regeneration, reformation.

In *Capital* Volume II Marx analyses the circulation and reproduction of capital. It is here that he criticizes Smith's position and makes clear what capital is:



"If we take all three forms together, then all the premises of the process appear as its result, as premises produced by the process itself ... Common to all three circuits is the valorization of value as the determining purpose, the driving motive." (*Capital II* p. 180)

"Capital, as self-valorizing value, does not just comprise class relations, a definite social character that depends on the existence of labour as wagemoney. It is a movement, a circulatory process through different stages, which itself in turn includes three different forms of the circulatory process. Hence it can only be grasped as a movement, and not as a static thing. Those who consider the autonomization of value as a mere abstraction, forget that the movement of industrial capital is this abstraction in action." (*Capital II* p. 185)<sup>[1]</sup>

Few understood, and, understand, how value thus achieves autonomy, as we saw in the analysis in the *Urtext* and in the *Results*. This is why Marx abandoned the first draft to move on to a version where one deals directly with the stage in which autonomy has already been realized. But this does not mean he made some concessions. We would say rather that he simply set aside this difficult aspect to study it better elsewhere, and this makes certain passages elliptical at times. Still, once one understands the definition of capital as value in process, and the logico-historical development that produced it, a sentence like the following one is blindingly clear:

"Here value passes through different forms, different movements, in which it is both preserved, valorized and increases." (ibid. p. 185)

With capital, one no longer has to deal with a thing, as was shown in the *Urtext* but a process:

"If it is said that capital is exchange-value which produces profit, or at least is applied with the intention of producing profit, then capital is already presupposed in its explanation, for profit is a determined relation of capital to itself. Capital is not a simple relation, but a process in whose various moments it is always capital." (*Grundrisse* p. 258)

In the course of his work, Marx analysed the consequences of these two mistake definitions of capital, and, each time, showed that the economists had fallen into these errors through not having understood the double aspect of the immediate process of production: labour process and valorization process.

a. - Definition of capital. as a sum of values

In his analysis of fixed and circulating capital, Smith presents variable capital - which is circulating capital - not as "the value laid out on labour-power... but rather the value laid out on the workers' means of subsistence." (*Capital II* p. 291) This is because he emphasizes as an essential and determining characteristic the fact that labour-power sees its value disappear at one fell swoop; a fact that evidently confers upon it the aspect of circulating capital. In Smith, this is inevitable, since he tries to grasp the components of value while moving from its results and. derived forms: wages, profits and ground-rent. But the result is: "it is impossible for him to understand the distinction between variable and constant capital, and. thus to understand the capitalist production process in general." (ibid.)

This mistake is repeated by vulgar economists (down to the present day);

"It (i.e. bourgeois political economy - ed.) no longer distinguished at all between the portion of capital laid out on wages and the portion of capital laid out on raw material, and only formally distinguished the former from constant capital in terms of whether it was circulated bit by bit or all at once through the product. The basis for understanding the real movement of capitalist production, and. thus of capitalist exploitation, was thus submerged at one blow. All that was involved, in this view, was the reappearance of values advanced." (ibid. p. 297)

For Marx, capital is value in process only to the extent that it consumes labour-power, and not the sum of values which represent the worker's means of subsistence. Further, labourpower--only becomes capital

when it is alienated, when it finds itself in the production process in the form of variable capital, confronted by the means of production as constant capital.

"The essential feature of the definition of variable capital - and hence of the transformation of any sum of values at all into capital - is that the capitalist exchanges a definite, given (and. in this sense constant) value for value-creating power; a magnitude of value for the production of value, for self-valorization." (ibid.)

"But the capitalist does not sell this power of self-valorization. It forms throughout simply a component of his productive capital, just like his means of labour, and is never a component of his commodity capital, like the finished product that he sells, for example." (Ibid. p. 299)

Further on, Marx explains the immediate process of production, distinct from the process of circulation, which presupposes the delimitation of the categories valid in both cases. We see a reappearance of the limpid definitions of the *Results*:

"Within the production process, the means of labour, as components of productive capital, as not distinguished from labour-power as fixed capital, any more than the material of labour and ancillaries coincide with it as circulating capital. From the standpoint of the labour process, both of these confront labour-power as the personal factor, they themselves being the objective factors. From the standpoint of the valorization process, both are distinct from labour-power, variable capital, as constant capital. Alternatively, if we are to speak of a material difference that affects the circulation process, this is simply that it follows from the nature of value, which is nothing other than objectified labour, and from the nature of selfacting labour power, which is nothing other than self-objectifying labour, that labourpower constantly creates value and surplus-value as long as it continues to function; that what presents itself on its side as movement, as the creation of value, presents itself on the side of its product in a motionless form as created value. If the labour-power has performed its function, then the capital no longer consists of labour-power on the one hand and. means of production on the other. The capital-value that was laid out on labour power is now value which has been added to the product (together with surplus-value). In order to repeat the process, the product must be sold, and with the money released by this, labour-power has constantly to be bought afresh and incorporated, into the productive capital. This then is what gives the portion of capital laid-out on labour-power the character of circulating capital in contrast to the capital, that remains fixed in the means of labour." (ibid. pp. 299-300)

#### b. - Definition of capital in relation to itself: profit

Smith indicates another cause of the difference between fixed and circulating capital: "he introduces the determination by profit, which is quite out of place here, according to which some means of production bring their owner profit by maintaining their shape, others by losing it." (ibid. pp. 280-1) Now one can understand profit, a modified form of surplus-value, only by understanding the process of production, and hence that of valorization.

The great mistake is to have confused the elements of the production process (constant and variable capital) with those of the circulation process (fixed and circulating capital). In the second process, value has already been produced and needs only be realized. The error can also be expressed in a different way; wanting to explain the movement by its result. In the end, it results in confusion between the value of the annual product and the-annual value product.

"The latter is *simply* the product of the current year's labour; the former includes, on top of this, all those elements of value that were used in the production of this annual product, *but which were produced in the previous year and partly in still earlier years*; means of production whose value only *reappears* - and which, as far as their value is concerned, have been neither produced nor reproduced by the labour spent during the current year. This

confusion enables Adam Smith to juggle away the constant component in the value of the annual product." (ibid. p. 453)

In this way, Smith eliminates one of the components of the production process, which becomes incomprehensible. Immediately afterwards, Marx explains how this misunderstanding is 'based on Smith's inability to understand the double character of labour-power; it 'creates value' and 'creates use-objects', a double character which conditions the duality of capital's immediate production process, and resolves the enigma of capital - value in process.

### ***B. The consequences of the definition of capital as value in process***

#### 1) Production and circulation

Only superfluous products become commodities in the period of simple mercantile circulation; self-sufficiency implies that people produce everything they need. Products are taken on to the market, as commodities, only if they are not needed; or when it is necessary to obtain something which cannot be produced.. The two moments of the economic process - production and circulation - are quite separate:

"Production originally appeared to lie beyond circulation, and circulation beyond production. The circular course of capital - circulation posited as the circulation of capital - spans both moments. Production appears in it as the conclusion and the point of departure of circulation, and vice-versa. The autonomy of circulation is now reduced to a mere appearance, and, so is, likewise, the situated-beyondness<sup>[2]</sup> of production." (*Grundrisse* p. 514)

"The circulation of capital is at the same time its becoming, its growth, its vital process. If anything could. be compared to the circulation of the blood, it is not the formal circulation of money, but the content-filled circulation of capital." (ibid. p. 517)<sup>[3]</sup>

This explains the error of the economists who proclaim that the law of value is valid for precapitalist economies, but is no longer so under capitalism. What is it that has changed in reality? This: that in the movement C-M-C, the use-value, and therefore man, is still the purpose of production, while in the movement M-C-M, the purpose of production is solely exchange-value which valorizes, and therefore surplus-value, profit<sup>[4]</sup>. Value is only really autonomous when it abandons itself to circulation, where its real life-process is produced. The production process thus will tend to become a moment of the circulation process.

In fact, when we examine M-C-M, we are examining simultaneously two things; a production process and a circulation process. Marx explains that to understand the production process, the emergence of an increase in value  $\Delta m$  or  $\Delta v$ , it is necessary to understand the immediate production process; the latter is, however, conditioned by a previous act of exchange  $M \leftrightarrow C (v)$ , i.e. the purchase of labour-power. Without this, the immediate production process is impossible.

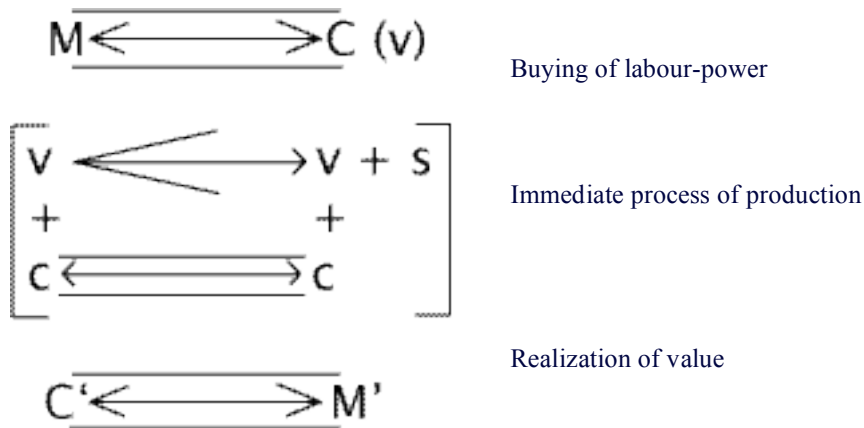
"The condition for the transformation of money into capital is that the owner of the money can exchange money for the labour-capacity of others as a commodity. Thus that in circulation, labour-capacity is offered for sale as a commodity, since inside simple circulation, the exchangers face one another only as buyers and. sellers. The condition is thus that the worker offers for sale his labour-capacity, as a commodity to be consumed through use; thus the free worker." (*Urtext* p. 945)

One must insist on the fact that wage-labour is a precondition of capitalist production. In fact:

"It is an error, firstly to consider that wage-labour, the sale of labour to the capitalist and hence the *wage* form, is something *exterior* to capitalist production; it is an *essential* mediating form of capitalist production relations, and constantly reproduced by them." (Results p. 1064)

Man must be transformed into a commodity; the level of generalization of mercantile production, where the producer himself assumes the character of the thing produced by him, not immediately, but through a determined social relation.

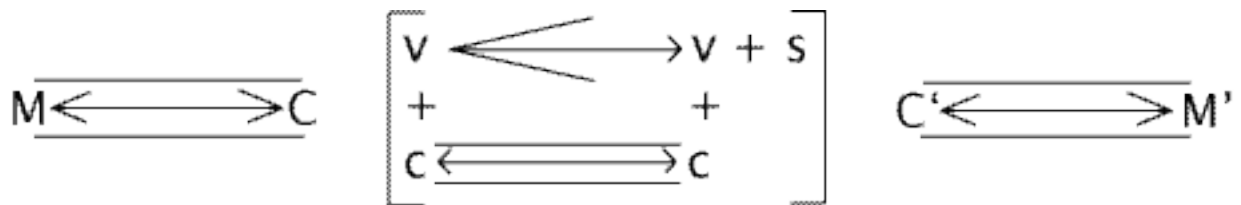
Further, the production process is determined by the act  $C \leftrightarrow M'$ , realization of the value which lies in the commodity form and must assume the money form. Now we can express in detail the movement M-C-M' in its three moments.



The exchange  $M \leftrightarrow C (v)$  is the determining element, which stamps the distinguishing characteristics on the whole:

"In the course of the exchange process, a quantum of labour objectified in money as a commodity is exchanged for an equal amount of labour objectified in living labour-capacity. In accordance with the law of value of commodity exchange, equivalent values change hands, i.e. *equal quanta* of objectified labour, although the one quantum is objectified in a thing, the other in a living person." (Results p. 1009)

Once this point has been well established, it is important to follow the a apparent movement of capital, which is a circulatory movement. In it, the production process is subordinated to the circulation process. The essential thing is that value is valorized. This is why, in the *Results*, Marx starts from a verifiable fact: capital is born on the basis of commodity production; this is the stage best described by the mercantilist formula we have analysed:



"Originally capital became manifest as *money*, as something to be transformed into capital, or which was only potentially capital." (ibid. p. 975)

It is at the beginning "a fluens which must posit a fluxion". (ibid. p. 976)

What characterizes it is the fluidity, the faculty of circulating, of being always in movement. This can be expressed, very simply, as follows: capital is a quantity  $x$  that can transform itself into  $x + \Delta x$ ; £100 invested in production can give £110.

"... the *specific, characteristic nature* of the capitalist production process shows itself so simple and abstract," (ibid. p. 976)

"The expression must be the function of a variable quantity, or be transformed into one during the process." (ibid. p. 977)

Marx replaces  $x$  by what it really is, i.e. constant capital plus variable capital, and thus we have:

$$c + v \rightarrow c + v + \Delta(c + v) \text{ i.e. } C'$$

But given that  $c$  is constant and  $v$  variable,  $v$  is the true quantity that changes in the course of the process, so that.

$$C' - C = \Delta C \text{ (i.e. the increase in capital)}$$

and

$$\Delta C = \Delta v$$

"In other words, the increment of the total capital = the increment of the variable part of it, such that  $\Delta C$  or the change in the constant part of the capital = 0. Hence in this investigation of  $\Delta C$  or  $\Delta v$  the constant capital is given as = 0, i.e. it must be left out of account." (ibid. p. 978)<sup>[5]</sup>

All this is in perfect conformity with *Capital* Volume I, where, in the same way, no distinction at all is drawn between  $c$  and  $v$  when it is a question of knowing from where the increase of value originates. The distinction is made only after the origin of surplus-value has been clarified. Besides, one can understand why Marx speaks of "immediate process of production", because surplus-value appears there in an immediate way, as the result of the exploitation of proletarian labour-power. When one moves away from this process, the origin of surplus-value is ever less clear. Finally, surplus-value can only exist as a difference in relation to a previous value, in relation to the value that has engendered it; hence the necessity for the conservation of the advanced value, which must thus be included in the valorization process.

Marx then anticipates the whole later development, and explains that this mode of being of capital - value which valorizes in process - already posits two essential relations.

$$\frac{\Delta v}{v}$$

"The proportion by which  $v$  has grown =  $\frac{\Delta v}{v}$  (the *rate of surplus-value*)."

This is the point of view of the proletariat.

$$\frac{\Delta v}{C} = \frac{\Delta v}{c} + v$$

"The proportion by which  $C$  has grown =  $\frac{\Delta v}{C} = \frac{\Delta v}{c} + v$  (the *rate of profit*)"

This is the point of view of the capitalist.

"The actual specific function of capital as capital is the *production of surplus-value* which, as will be shown later, is nothing but the *production of surplus-labour, the appropriation of unpaid labour* in the course of the actual process of production. This labour manifests itself, objectifies itself, as *surplus-value*." (ibid. p. 978)

First Observation:

It is this condensed formula  $x \rightarrow x + \Delta x$  that best characterizes the appearance of the capitalist phenomenon.

"As we have seen, the whole of the capital-value is in constant circulation, and in this sense, therefore, all capital is circulating capital." (*Capital* II, p. 238)

Second Observation:

In its highest form of finance capital, interest bearing capital, it seems that capital returns to the form in which it arose. Here again, it seems that the increase in value springs from circulation. As we shall see later, the production process is made to disappear. We shall come across this form again, when we have reached the end of the evolution of the apparent phenomenon.

Apparently everything is reduced to circulation. Marx specifies this in the *Grundrisse*. We may first note:

1. "The length of time during which capital remains in the phase of the production process becomes itself a moment of circulation, if we presuppose various capitals." (*Grundrisse* p. 518)

2. "If we consider the total circulation of capital, four moments appear, or, the two great moments of the production process and the circulation process are considered as two moments, and each of them as a duality; we can take either circulation or production as the point of departure here. This much has already been said, that circulation itself is a moment of production, since capital only becomes capital through circulation; production is a moment of circulation only in so far as the latter is itself regarded as the totality (*Ganzes*) of the production process. The moments are; I) The real production process and its duration. (This coincides with the conditions of valorization in general. It is what was demonstrated in the *Results* - ed.) II) Transformation of the product into money. Duration of this operation. III) Transformation of the money in the proper proportions into raw material, means of labour and labour, in short, into the elements of productive capital. IV) The exchange of a part of the capital for living labour-capacity can be regarded as a particular moment..." (ibid. pp. 520-1)

An observation in the *Results* is relevant to this last question:

"Therefore, although the first process, the exchange of money for labour-capacity, does not as such enter the immediate process of production, it does enter into the production of the relationship as a whole." (*Results* p. 1006)

In fact, this exchange conditions the whole capitalist mode of production.<sup>[6]</sup> This is why Marx set aside wage-labour to be dealt with separately in most of the plans for *Capital*. Indeed, at one point he even thought of starting the entire analysis with the analysis of wage-labour, since it is a precondition of capitalist production, as he did, for that matter, in the *Economic and Philosophical Manuscripts*.

So the content of the *Results* which presents capital as a fluens, in no way contradicts the rest of the work, but, rather, clarifies it. Indeed, a deeper study of capital shows that the greatest difficulty that it meets in the

realization of its life-process lies precisely in circulation. For capital itself, and likewise for the economists, circulation became an essential problem. Marx had good reason to examine it at length:

"The production process appears simply as an unavoidable middle term, a necessary evil for the purpose of money making, (This explains why all nations characterized by the capitalist mode of production are periodically seized by fits of giddiness in which they try to accomplish the money-making without the mediation of the production process.)" (*Capital II* p. 137)

The development of capital<sup>[7]</sup> does not come into contradiction with the way in which it arose historically; it is, on the contrary, its more developed-realization, the tendency to absolute valorization. We see clearly once more that circulation is the fundamental datum, since it is in it and through it that capital tends to realize its being: value in process, value which tends to escape from its own conditions of production, to grow ever bigger, as quickly as possible.

At this point in the exposition, Marx clearly distinguishes the two parts of circulation:  $M \overset{\leftarrow}{\rightarrow} C (v)$  and  $M \overset{\leftarrow}{\rightarrow} C'$ . The first he calls the minor circulation, the latter the major circulation. The minor one is essential to the living being as it brings the oxygen necessary for life. It is through it that life is renewed. The same thing happens in the circulation of capital, but with this difference; with capital it is major circulation that tends to dominate. Now it might seem that, by means of credit, a certain capital generates capital. Everything appears under the banner of capital: man is merely an executive, a slave of capital. In *Capital* Volume III, Marx clarifies this aspect, making it quite evident that he is analysing apparent phenomena in this book. However, when he analyses the appearance, it only emphasizes the power of capital, the imposition of its mode of being, its valorization, and, when he unveils the secret of this appearance, he reveals the real development of capital that has subsumed labour under itself, and capital now pretends to be generated by itself alone. Hence it is necessary to reveal not only the secret behind the appearance, but its becoming too. Here one fully grasps the importance of the *Results* the distinction made there between labour process and valorization process, and the indication that, in the course of capitalist development, the second will supplant the first, capital being value that valorizes. The *Results* illuminate the whole work, allowing us to grasp it in its full sweep, in all its greatness.

## 2) Fixation and liberation of capital: valorization and devalorization

If capital is a fluens that posits a fluxion, if its continuity, its spiralling, are its essential characteristics, it is interesting to establish which are the conditions that fix capital, and, which are those which liberate it, that allow it to begin new cycles in order to valorize itself.<sup>[8]</sup>

### a. - The case of the immediate process of production

There is already a brake to this incessant becoming of valorization in the sphere of the immediate process of production. In fact, a part of the advanced capital does not circulate all at once in the commodities produced in the course of a given production process. This means that it does not undergo metamorphoses, but preserves its value in the form of money. This is the case with some elements that enter the production process.

"The means of labour, on the other hand, never leave the production sphere once they have stepped into it. Their function confines them firmly within it. A part of the capital-value advanced is fixed in this form, which is determined by the function of the means of labour in the process. As a means of labour functions and is used up, one part of its value passes over to the product, while another part remains fixed in the means of labour and hence in the production process. The value fixed in this way steadily declines, until the means of labour is worn out and has therefore distributed its value, in a longer or shorter period, over the volume of the products that has emerged from a series of continually repeated labour processes." (*Capital II* pp. 237-8)



The means of labour are the machines, plant etc.. We shall take the usual example and suppose that the capitalist has paid £1,200 for certain means of labour, and, further, that the immediate process of production of this undertaking requires the following outlay of capital:

$$800c + 200v = 1,000C$$

If we suppose also a rate of surplus-value of 100%, we obtain the value of the products as follows:

$$800c + 200v + 200s = 1,200C' \quad (C' = C + s)$$

It is evident that the 1,200 exists first in the form of commodities; C 1,200. Hence they must circulate to be transformed into money; M 1,200 (C 1,200  $\leftrightarrow$  M 1,200) Once these 1,200 have returned in the form of money, the capitalist consumes 200 of them (simple reproduction) and 1,000 remain for the next outlay. Here the difference between fixed and circulating capital can be seen clearly. In fact, since the use-value of the means of labour does not vanish all at once, two complementary phenomena are produced: fixation in use-form and fixation in value-form. The latter increases inversely to the former. Let us assume that the capitalist puts aside £400 to cover the costs of machinery purchase; we must divide £800 into two parts: one part circulating, the other fixed. The value of the products can then be expressed in the following way:

$$(\text{£}400 + 400c) + 200v + 200s = 1,200C'$$

We analyse the movements of exchange, and thus the metamorphoses of each of the constituent parts of C as capital product:

1. 200s: C200  $\leftrightarrow$  M200  $\leftrightarrow$  C200
2. 200v: C200  $\leftrightarrow$  M200  $\leftrightarrow$  C200
3. 400c: C400  $\leftrightarrow$  M400  $\leftrightarrow$  C400
4. £400: C400  $\leftrightarrow$  M400

For the part destined to pay off the costs of the machinery (400f), the series of metamorphoses stops at M400; there is, therefore, fixation of value. Its process is blocked, and this is repeated for all the cycles required to restore the value advanced, three weeks in this case (1,200 ; 400). But finally we have:

$$M(400 \times 3 \leftrightarrow C1,200$$

The fixation has been overcome: "this part of the capital value fixed in the means of labour circulates like all the others". (*Capital* II p. 230) But since its use, its productive consumption, cannot be exhausted in just one cycle, its value form is fixed in parallel at the other pole. But, once regenerated, it enters circulation. Hence the observation already cited by us:

"As we have seen, the whole of the capital value is in constant circulation, and in this sense, therefore, all capital is circulating capital." (ibid. p. 238)<sup>[9]</sup>

Capital tries to destroy this fixation during its development. It cannot abolish the natural phenomenon, a longer or shorter use period, but it can prevent value from being fixed, from being hoarded. Value can circulate, thanks to credit, making an increase in capitalist production possible, but also an increase in speculation.



## b - The case of circulation

- C'  $\longleftrightarrow$  M'

"As capitalist production develops, the scale of production is determined to an ever lesser degree by the immediate demand for the product, and to an ever greater degree by the scale of the capital which the individual capitalist has at his disposal, by his capital's drive for valorization and the need of his production process for continuity and extension. The mass of products from every particular branch of production that are on the market as commodities, or seek an outlet, necessarily grows with this. The mass of capital tied up for a shorter or longer time in the form of commodity capital grows, and hence the commodity stock grows as well." (ibid. p. 221)

Things go as follows for the individual capitalist: he will have to wait for a certain time to elapse before seeing the return of his advanced capital, enlarged by a surplus-value. This is the time during which capital circulates. The capitalist must therefore lay out new capital to assure the continuity of production. Marx analyses various cases with the period of circulation being longer, shorter or the same as the period of production. In every case, capital is fixed, immobilized, in the course of circulation. It cannot fulfill its real function, that of valorizing, when it is more or less frozen at a given level of realization of its valorized value. Therefore the continuity of the total process of production could be interrupted, if the capitalist was unable to make the necessary advance; from this derives the need for credit:

"It thus appears as a matter of chance for production based on capital whether or not its essential condition, the continuity of the different processes which constitute its process as a whole, is actually brought about. The suspension (*Aufhebung*) of this chance element by capital itself is credit. (*Grundrisse* p. 535)

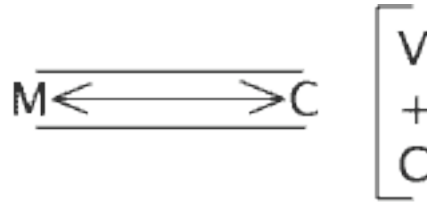
An antagonistic phenomenon could still occur. If the period of circulation is, for example, seven weeks, while the production period is only three, the capitalist would have to make the first advance for the process of the first three weeks (300), then for the next three (300), but there would still be a week remaining before the restoration of the advanced capital. He is therefore obliged to make a third advance. At the end of this week, the first commodity finally completes its metamorphosis from C300 to M300 (assuming a capital of 100 per week), but only a part of this capital (200) is needed for the completion of the third production process. The rest (100) is liberated. There is, in fact, too much capital with respect to the course of the production process. This can happen for two other reasons: contraction of the circulation period or of the production period. At this point, a superfluity of capital can be generated:

"...in the sense that a definite part of the capital advanced is superfluous for the overall process of social reproduction (which includes the circulation process), and is therefore precipitated out in the form of money capital: it is thus a surplus which has arisen with the scale of production and prices remaining the same, simply by a contraction in the turnover period. The mass of money in circulation, whether this is larger or smaller, does not have the slightest influence on this." (*Capital II* p. 358)

The whole of this liberated capital constitutes one of the bases of the credit system. Thus it will neither be fixed nor hoarded, but will be able to enter a new production process, where it will be able to valorize:

"This money capital that is liberated simply by the mechanism of the turnover movement (together with the money capital liberated by the successive reflux of the fixed capital and that needed for variable capital in every labour process) must play a significant role, as soon as the credit system has developed, and must also form one of the foundations for this." (*Capital II* p. 357)

So it seems that capital is capable of ensuring an endless valorization and of breaking down barriers to its development.



A third instance of fixation and liberation occurs in the course of a variation of the elements advanced in the immediate process of production:

"By the fixation of capital we mean that, out of the total value of the product a certain additional proportion must be transformed back into the elements of constant or variable capital, if production is to continue on its old scale. By the liberation of capital we mean that a part of the product's total value which previously had to be transformed back into either constant or variable capital becomes superfluous for the continuation of production on the old scale and is now available for other purposes. The liberation or fixation of capital is different from the liberation or fixation of revenue." (*Capital II* p. 206)

Three consequences are derived from this:

- 1) A tendency to reduce wages to a minimum.
- 2) A tendency to obtain raw materials at the lowest possible price. Capitalism achieves this by colonialism and imperialism. The industrialized nations, i.e. those at a high level of capitalist development, exert all their strength to prevent the so-called under-developed countries, which produce just these raw materials, from increasing prices, and even from modernizing, since the inevitable result of this modernization would be to make the raw materials produced more expensive. Here capital tends not to develop geographically, so as to guarantee its own valorization, but limits its own extension as much as possible. Certainly new countries could only pass over to the capitalist system of production after revolutions against capital itself (Russia; double revolution, China; peasant-capitalist revolution), or after crises and wars, as in Germany and Italy.
- 3) In this struggle to reduce the value of the components of productive capital, capital itself clashes with another force, which is all the more effective as it operates where capital is already developed: ground rent. This is not limited to agriculture, but is carried over into the construction sector, especially for industrial installations. Here capital clashes with private property; it cannot destroy this barrier without also destroying the base on which it arose itself. As Marx notes, this is a case where capital comes into contradiction with its own shabby basis.

Here we see the links between capital's fixation and liberation; valorization and devalorization. When fixed, the component parts of productive capital have a greater value, while valorization and liberation coincide. But capital is value in process, value that valorizes. Value cannot be fixed and so it must be liberated to circulate and to enter new cycles. Capital, which is by nature valorization, now negates itself and becomes devalorization:

"Looked at precisely, the *valorization process* of capital - and money becomes capital only through the valorization process - appears at the same time as its *devalorization process* its demonetization. And this in two respects. First to the extent that capital does not increase absolute labour time, but rather decreases the relative, necessary labour time, by increasing the productive force, to the extent it reduces its own costs of production - in so far as it was presupposed as a determined sum of commodities, its exchange-value; one part of the existing

capital is constantly devalorized owing to a decrease in the costs of production at which it can be reproduced; not because of a decrease in the amount of labour objectified in it, but because of a decrease in the amount of living labour which it is henceforth necessary to objectify in this specific product. This constant devalorization of the *existing* capital does not belong here, since it presupposes capital as completed. It is merely to be noted here in order to indicate how later developments are already contained in the general concept of capital. It belongs in the doctrine of the concentration and competition of capitals." (*Grundrisse* p. 402)

In fact, the various capitals that leave the production process will confront one another, and the supplementary value which they acquired there will not necessarily be realized in circulation. This is the statement of the law of the equalization of the rate of profit. It only remains to underline the fact that devalorization manifests itself in the immediate production process, and yet is realized really only in the process of circulation, which is the period of devalorization *par excellence*. Thus the total process, unity of the two, is antagonistic.

#### First observation: Socialization and Devalorization

One can understand the concepts we have indicated above only if one bears in mind that the product of capital is surplus-value, or its modified form, profit. The latter must appear as something quite distinct; it must be clearly differentiated from the capital that has produced it. If, therefore, the advanced capital value is too large, it ends up by inhibiting somehow the creation of profit; for it will be difficult to obtain the transformation of  $C' - C = \Pi$ , or of  $C$  into  $C + \Delta C$ ,  $x$  into  $x + \Delta x$ . So a diminution of the advanced value is required to make this growth possible: hence devalorization. This is still more valid at the social level, when fixed capital is such that only a very small quantity of living labour is needed to obtain a product (fixed capital seems capable of generating a product spontaneously). In this case, the living labour is to a great extent absorbed in conserving the advanced value - one of the aspects of the valorization process - but has almost ceased to create an increase in value. It is the stage of the socialization of production. Hence the contradiction already included in the immediate process of production: to assure the valorization of *existing* capital, the previous capital must be devalorized. Then again it becomes possible for an increase of value to arise.

This explains the evolution of capitalism. It develops fixed capital tremendously at the beginning, because by this it can increase its own domination over the whole of society, and above all over the workers - without forgetting the possibilities for speculation this implies; the construction of railways in England being the best example of this. The development of fixed capital enables the formation of the industrial reserve army, which pressurizes the active working population and causes a drop in wages; on the other hand, it is a means of taking away a part of the product from the proletariat. This was forcefully underlined by the first opponents of capital who defended the interests of the proletariat. Marx reiterated their arguments, integrating them into the body of communist theory. Thus he cites 'The Pamphleteer', the anonymous author of the pamphlet *The Source and the Remedy of the National Difficulties, (deduced from Principles of Political Economy in) a Letter to Lord John Russell* (London, 1821) in the *Theories of Surplus Value*.

"There are, ... two methods which, in spite of the growth of surplus product or surplus labour, prevent capital from being forced to give a greater share of its plunder back to the workers.

"The first is the conversion of surplus product into fixed capital, which prevents the labour fund - or the part of the product consumed by the worker from necessarily increasing with the accumulation of capital." (TSV III p. 241)

This is what is done today in the name of investment policy. Wage increases are refused, however much business may have expanded, because machinery must be renewed, the company must grow etc..

But the more that capital develops, the more growth that there is, on the one hand in the use of machinery, which fixes value tremendously, and on the other, directly corresponding, of socialization.

Capital thus tends to brake the development of fixed capital during its senile phase. It opposes the introduction of new machines. Engels already anticipates this in *Capital* Volume III:

"Now let us assume a machine is invented that cuts the living labour required for each item by half, while it produces a threefold increase in the share of value attributable to the depreciation of fixed capital."

What happens? Engels explains:

"For a society producing under capitalist conditions, the commodity has not become cheaper and the new machine is *no* improvement." (*Capital* III pp. 370-1)

"For capital, therefore, the law of increased productivity of labour is not unconditionally valid. For capital, this productivity is not raised simply because more living labour in general is spared than is added in past labour, but only if more of the *paid* part of living labour is spared, as we have already indicated in brief in Volume I, Chapter 15, pp. 515 ff. At this point the capitalist mode of production falls into a new contradiction. Its historical mission is ruthlessly to expand the productivity of human labour, to drive it onwards in geometrical progression. It is untrue to its mission as soon as it starts to inhibit the development of productivity, as it does here. It thereby simply shows once more that it is becoming senile and has further and further outlived its epoch." (ibid. p. 371)

Second observation -

Capital's products must circulate to realize their values. Will the realization be complete?

"The question that interests us here is this: Does not a moment of value determination enter in independently of labour, not arising directly from it, but originating in circulation itself?" (*Grundrisse* p. 519)

To reply to this question, evidently it is necessary to have recourse to the theory of production prices which shows how there can be a variation in value in the course of the circulation process.<sup>[10]</sup> This is explained by the study of competition; we thus refer this point back to our first observation.

There is besides a natural devalorization:

"Just as grain when it is put in the soil as seed loses its immediate use-value, is *devalorized* as immediate use-value, so is capital *devalorized* from the completion of the production process until its retransformation into money and from there into capital again." (ibid. p. 519)

Capital falls victim to its own metamorphosis into commodity capital; it is forced to present itself in the form of something useful so that it can be consumed: consumption that will bring about the new transformation into money capital, where capital will again find its essential characteristic (its immediate use) - valorization. Thus consumption constitutes another sphere where capital can be fixed.

c. - The case of consumption

It has been seen that surplus-value is born in the immediate process of production; that it appeared firstly in the commodity form in the various elements that make up the products of this process; and successively that it was transformed into money in the course of the circulation process. Now it can either come to be used to increase the dimensions of the production process (expanded reproduction) or it can be consumed (simple reproduction). Finally, intermediate cases may occur between these two extremes.

It seems clear that if the whole surplus-value were consumed for enjoyment, the process of valorization would only be a process of conserving value and there would be no increase in value. Or, what is the same thing, the increase would be fixed in enjoyment and would be unable to re-enter the production process. It is therefore impossible to find a capitalist who consumes surplus-value for *la bella vita*.

"This presupposition is the same as presupposing the non-existence of capitalist production and therefore the non-existence of the industrial capitalist himself." (*Capital II* p. 199)<sup>[11]</sup>

This means: when it has been shown once and for all that the driving force of the capitalist system is not the individual capitalist's desire to enjoy profits, but the impersonal requirements of social capital - a social force which only a revolution will be able to overthrow - to grow by means of surplus-value, one has shown the exact reasons for the necessity of the death of capitalism and thus, as Marx indicates, its scientifically determined non-existence. But only a science that is revolutionary and no longer doctrinaire can achieve this result! (Cf. *The Poverty of Philosophy* in MECW 6 p.???)

The fact that the capitalist is condemned not to enjoy, but to accumulate, depends also on another "technical" reason:

"The capitalist must not only form a reserve capital to guard against price fluctuations, and in order to be able to await the most favourable conjunctures for buying and selling; he must accumulate capital, in order to extend production and incorporate technical advances into his productive organism." (ibid.)

The capitalist, who, at a certain stage is incapable of modernizing his plant, will be swallowed up and expropriated by the stronger. As regards wages (wage capital), they are used up acquiring consumer commodities, for the worker cannot economize and accumulate.

Marx foresaw the phenomenon of the *modern* trick by which capital tries to delay its overdue death, a trick which consists in increasing the workers' demand by selling on credit, one of its more insane ideas:

"In so far as the worker converts his wages almost wholly into means of subsistence, and by far the greater part into necessities, the capitalist's demand for labour-power is indirectly also a demand for the means of consumption that enter into the consumption of the working class. But this demand = v, and not an atom more (if the worker saves something out of his wages - we necessarily leave all credit relations out of consideration here - this means that he transforms a part of his wage into a hoard and to this extent does not appear as a customer, a buyer)." (ibid. p. 197)

The worker sells his future labour-power by purchasing on credit, without money, neither more nor less than if he put his own life on sale, reducing himself to slavery. But capital overcomes fixation by this trick and can valorize itself.

Likewise, the same economists, who, at the dawn of capital had castigated enjoyment, now proclaim its necessity; for capital has by now freed itself from human needs so as to satisfy its own: the need for living labour, which allows it to valorize, the need to have commodities consumed, to realize the surplus-value they contain. A growing number of men is required to work off the growing quantity of surplus-value. It seems that capital negates itself. Really it only wants consuming slaves; the middle classes, which live on the realization of surplus-value, are classes of slaves condemned to consume capital. If they simply consume surplus-value, without enabling its realization, they would fix value and become an obstacle to capital's process.

d. - The case of interest

Interest is originally a cause of the fixation of value. Marx explains that industrial capital must polemicize against usurer's capital, its antediluvian form.

In agriculture, for example, the tenant not only had to pay a part of his surplus-value to the landlord (rent), but also place another part at the disposal of the money-lender - interest. So the usurer fixed a part of the surplus-value, which could, therefore not be capitalized, become capital, and serve for a new process of valorization. In fact, usury is linked to hoarding.

"With few exceptions it is the struggle between moneyed interest and landed interest that fills the century from 1650 to 1750, as the nobility, who lived in the grand style, saw with disgust how the usurers had got their hands on them and, with the building up of the modern credit system and the national debt at the end of the seventeenth century, faced with their overwhelming power in the sphere of legislation etc.." (TSV I p. 368)

"This is the first form in which *capital* starts its revolt against *landed property*, as in fact *usury* was one of the principal agents in the accumulation of capital i.e. through its co-proprietorship in the landlord's revenues. But industrial and commercial capital go more or less hand in hand with the landlords against this outmoded form of capital." (ibid. p. 369)

"The polemic waged by the bourgeois economists of the seventeenth century (child, Culpeper and others) against interest as an independent form of surplus-value merely reflects the struggle of the rising industrial bourgeoisie against the old-fashioned usurers, who monopolized the pecuniary resources at that time. Interest-bearing capital is in this sense still an antediluvian form of capital which has yet to be subordinated to industrial capital and to acquire the dependent position which it must assume - theoretically and practically - on the basis of capitalist production. The bourgeoisie did not hesitate to accept state aid in this as in any other case, where it was a question of making the traditional, already existing, production relations adequate to its own." (TSV III p. 467)

"Violence (the state) is used against interest-bearing capital by means of compulsory reduction of interest rates, so that it is no longer able to dictate terms to industrial capital. But this is a method characteristic of the least developed stages of capitalist production. The real way in which industrial capital subjugates interest-bearing capital is the creation of a procedure specific to itself - the *credit system*. The violent reduction of interest rates is a measure which industrial capital itself borrows from the methods of an earlier mode of production and which it rejects as useless and inexpedient as soon as it becomes strong and conquers its territory." (ibid. pp. 468-9)

Capital thus managed to overcome the fixation. It integrates the value that was previously taken away from it; now it is only a matter of dividing it up inside the capitalist class. The fraction of surplus-value which assumes the form of interest is also capitalized and, enters a new process of valorization.

e. - The case of capital reproduction: exchange between the two sectors

Finally, value can be fixed during the exchange between the two sectors of society. In fact, as a consequence of the monopoly of private property, a part of the social surplus-value is fixed in the form of ground-rent. Thus one understands the reason for the fierce struggle waged by the capitalists against the landed interest, to destroy rent. This struggle ends when capital, which at the beginning clashed head on with a type of property which did not correspond to it, succeeds in creating a convenient form "with the subjection of agriculture to capital" (*Capital* III p. 754). At this point rent becomes capitalist.

So there is an objective cause of fixation since capital cannot destroy private property. The imperative demands of its limitless development put pressure on the restricted basis on which the edifice of capital has been erected. It is true that it tends to eliminate absolute ground rent, but not differential ground rent. The



latter, on the contrary, remains the source of a considerable number of speculative operations, as in the case of building plots; in the case of agriculture, it is the cause of continuous price rises.<sup>[12]</sup>

Thus another objection to the law of value falls, which Marx had already refuted in *The Poverty of Philosophy*:

"The last and apparently decisive objection, unless it is advanced - as commonly happens in the form of curious examples, is this: if exchange-value is nothing but the labour-time contained in a commodity, how does it come about that commodities which contain no labour possess exchange-value, in other words, how does the exchange-value of natural forces arise? This problem is solved in the theory of rent." (*Contribution* p. 63)<sup>[13]</sup>

The same need makes itself felt in all aspects of capital's development: the valorization of value. Value must not be fixed if valorization is to occur. In reality, this need is translated into capital's different modes of behaviour in the course of its history. So we must study the development of this value which has attained, autonomy and see how it manages to conserve this autonomy in its tendency to overcome all fixations. This implies the question of knowing too what becomes of the law of value in capitalist society.

#### ***NOTE ON THE IMMEDIATE PROCESS OF PRODUCTION OF CAPITAL***

We should note that Marx, in *Capital* Volume I, after explaining the nature of the labour process and valorization process - which appear at the time that capital first arises, thus on the basis of formal domination - shows how the immediate process of production, the unity of these two processes, becomes capital's production process. The transition from formal to real domination is connected with this transformation.

"At first capital subordinates labour<sup>[14]</sup> on the basis of the technical conditions within which labour has been carried on up to that point in history. It does not therefore directly change the mode of production." (*Capital* I p. 425)

To grasp the importance of this change, for the mode of production on the one hand, and for Marx's theoretical task on the other, one must bear in mind that he first expounds the general formula for capital, and later presents its concept, explaining the concept of surplus-value. From this point, his analysis, which was especially logical (reducible to a structural analysis by those who wanted to effect a clear separation between the first pages of *Capital* and the rest of the work), becomes a phenomenology of capital. Starting from the general formula of capital, Marx had shown that capital is a being; value that valorizes, value in process. Later in Part Three ('The Production of Absolute Surplus-Value') and Part Four ('The Production of Relative Surplus-Value'), he shows how capital is incarnate, takes on a bodily form (*einverleiben*) and, to scandalize our structuralists, how from a concept it becomes nature; it acquires a nature and, thanks to the transformation of the labour-process into a process of capital, the production process becomes capital's production process.

"As co-operators, as members of a working organism, they merely form a particular mode of existence of capital. Hence the productive power developed by the worker socially is the productive power of capital. The socially productive power of labour develops as a free gift to capital whenever the workers are placed under determined conditions, and it is capital that 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." (*Capital* I p. 451)

It is therefore simultaneously the study of the domestication of men by capital; the birth of the workers' subordination to capital.

"It is the first change in the course of co-operation experienced by the real labour process through the fact of its subsumption (*Subsumtion*) under capital. This change takes place spontaneously." (ibid. p. 453)

"In manufacture, as well as in simple co-operation, the functioning working body (*der funktionierende Arbeiterkörper*) is the form of existence of capital the productive power which results from the combination of various kinds of labour appears as the productive power of capital." (ibid. p. 481)

Here there is the reversal (*Verkehrung*) Marx analyses in all his works, which is mystification when in movement and results in fetishism.

We cannot make a synopsis of Marx's whole argument. The reader must refer directly to *Capital*; nevertheless we will cite an absolutely essential passage from the perspective of our propositions:

"As machinery, the instrument of labour assumes a material mode of existence which necessitates the replacement of human forces by natural forces, and the replacement of the rule of thumb by the conscious application of natural science. In manufacture, the articulation (*Gliederung*) of the social labour process is purely subjective: it is the combination of specialized workers. Large-scale industry, on the other hand, possesses in the machine system an entirely objective production organism, which confronts the worker as a preexisting material condition of production. In simple co-operation, and even in the more specialized form based on the division of labour, the displacement of the individual worker by the associated worker still appears to be more or less a matter of chance. Machinery, with a few exceptions to be mentioned later, operates only by means of associated labour, or common labour. Hence the co-operative character of the labour process is in this case a technical necessity dictated by the very nature of the instrument of labour." (ibid. p. 508)

The reversal is finally fully realized with the formation of capital as subject-automaton;

"These two descriptions are far from being identical. In one, the combined collective worker or the social working body appears as the dominant subject (*übergreifendes Subjekt*) and the mechanical automaton as the object; in the other, the automaton itself is the subject, and the workers are merely conscious organs, co-ordinated with the unconscious organs of the automaton, and together with the latter subordinated to the central moving force." (ibid. p. 544)

And to conclude this subject, a sentence that re-echoes that of Hegel on the autonomization of the non-living:

"In the factory we have a dead mechanism which is independent of the workers, who are incorporated into it as its living appendages." (ibid. p. 548)

We have recalled all these elements on the subject of the formation of the capital being without drawing the consequences - only to provide evidence of the errors of certain commentators on the *Results*.

Bordiga wrote a resumé of this text, and one can read on page 6 of *il programma comunista* no, 35 (1966)

"Having finished with these treatments and having entered the real process of production, no longer considered as *immediate* that is as a simple chain of activities of physical transformation, but as the specifically capitalist process of production and linked to the historical period of capitalism."<sup>[15]</sup>



Here there is an unacceptable opposition between the immediate process of production and the specifically capitalist process of production. In fact, the opposition here takes place between a process which is reduced to a labour process and the process of production defined as specifically capitalist, which implies that capital would not have an immediate process of production, as value does not enter into the first process. But Marx showed that the latter is a process of capitalist production with the real and apparent result (which we shall consider again later) of the capital-commodity, and whose essential result is the production of surplus-value. That is, surplus-value can only manifest itself inside the envelope of the capital-commodity.

This sentence therefore shows that there is a non-comprehension of the fact that this is the process of production of capital, even if it is immediate. In fact there are other labour processes and production processes, but here it is immediately a matter of capital. Besides, at the start of *Capital* Volume III, Marx clearly recalls this (which is fully in accord with the quotation from Volume II we cited on page 17):

"In Volume I we investigated the phenomena exhibited by the *process of capitalist production*, taken by itself, i.e. the immediate production process, in which connection all secondary Influences external to this process were left out of account. But this immediate production process does not exhaust the life cycle of capital. In the world as it actually is, it is supplemented by the *process of circulation*, ... as it mediates the process of social reproduction. that the capitalist production process taken as a whole, is the unity of the production and circulation processes." (*Capital* III p. 117)<sup>[16]</sup>

The immediate process of production supposes that there is no further intervening mediation in operation. Confusion over this process comes from not understanding what the determination of the immediacy (and that of mediacy) implies.

Dangeville shows even more grossly the same incomprehension of Bordiga in his 'Presentation':

"In other words, in the capitalist regime, the valorization process tacks itself onto the *immediate process of production*, the former being conditioned by the sphere of circulation, and the *relations of domination in political society and in private life*." (ibid. p. 56)

This sentence is a heap of absurdities. Let us immediately state that, for Marx: 1. the immediate process of production is the unity of the labour process and the valorization process. There would have to be, according to Dangeville, a second valorization process! In the tight rope walking style of the author, let us say a rope too many. 2. "The production process, considered as the unity of the labour process and the value creating process (*Wertbildungsprozess*), is the process of production of commodities; considered as the unity of the labour process and the valorization process, it is the capitalist process of production, or the capitalist form of the production of commodities." (*Capital* I p. 304)

Also, *Capital* Volume I part I shows how, thanks to the exchange process, there is value creation. This is always a result and cannot be autonomized at all at this historical stage of production; on the other hand, it is not the case with the valorization process. Marx compares the two moments to highlight the difference:

"If we now compare the value creation process with the valorization process, we see that the latter is nothing but the continuation of the former beyond a definite point. If the process is not carried beyond the point where the value paid by the capitalist for the labour power is replaced by an exact equivalent, it is simply the value creation process; but if it is continued beyond that point, it becomes the valorization process." (*Capital* I p. 302)

In the *Results* itself we find:

"...valorization process - in the sense of the process of creating surplus-value, and not, as previously, in the sense of value creation process." (*Results* p. 1017)

The immediate production process is the process of the production of surplus-value, but this exists only in the form of commodity-capital at the end of this process and thus has to be realized and find a form adequate for its existence; money form. The circulation process mediates this. It cannot be called the process of effecting surplus-value, because what becomes determinant is no longer value but surplus-value. One could, by using Marx's own language, call it the *Mehrwertverwirklichungsprozess*. In *Capital* Volume II and the *Grundrisse* especially, Marx shows that it is fundamentally the devalorization process. Capital somehow undergoes an externalization movement (*Veräußerung*) in order to effect itself, it leaves the immediate process of production, and, through this movement, it is affected by an divestment (*Entäußerung*).

This is an aspect of the devalorization studied in the chapter for which this note was produced. On the basis of what has been said, we can say that the total process of capital is the unity of immediate process of production (valorization) and the process of circulation (devalorization). To say that "the valorization process is conditioned by the sphere of circulation" is to hide a total miscomprehension under a pile of verbiage. It is impossible to transform an absurdity into a correct statement; we must therefore leave Dangeville to his gibberish and recall that, for Marx, capital - value in process, self-valorizing value, becomes capital in process. What becomes dominant in the latter is valorization. But at this moment, capital appears to encompass the two movements of valorization and devalorization of which it was the result. We have moved onto real domination in the heart of the production process; the total production process of capital, unity of immediate process of production and the circulation process, presents itself in reality, once it has been constituted, as a process of valorization and devalorization, a contradictory unity. But this implies (since we are dealing with an entirely objective relationship) the real domination of capital over society because, in its most developed stage, capital is just a form without substance (a moment achieved by its own autonomization); from this moment it is fictitious valorization, hence capitalization of everything.

To sum-up the total movement: before the establishment of the capitalist mode of production, the law of value regulated exchanges; with capital, this law is considerably extended and becomes the law of valorization, and, when capital has attained real domination over the proletariat, law of production prices; finally, when devalorization (loss of value substance) assumes large proportions, we have fictitious valorization - capitalization.

This note on the immediate process of production would be incomplete if we did not again refer to the result of the process:

"As the elementary form of bourgeois wealth, the *commodity* was our point of departure, the prerequisite for the emergence of capital. On the other hand, *commodities* appear now as the *product of capital*. (Results p. 949)

This is very important for the characterization of even the immediate process of production, to the extent that capital is clearly different from the commodity that is produced on the basis of previous modes of production; moreover, it destroys all the theorization based on the commodity seen as an absolute invariable, an abstraction of the intellect, which exists impartially, with the same determinations in the capitalist mode of production, just as in previous modes. Finally, the presupposition differs here from the result, and the latter becomes the real presupposition. It is one more element of the transition to the real domination of capital. Henceforth there is no longer a circular development, always leading back to its starting point, but a development requiring a discontinuity to be able to externalize itself. The development of the capitalist mode of production has communism as its result; therefore it regenerates its own presuppositions; we have a circle. The intervention of the revolutionary class (the proletariat) externalizes the result and posits it as a precondition for the future of the human race.

(March 1972)

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1. "... the life-process of capital consists solely in its own motion as self-valorizing value." (*Capital I* p. 425)

2. We have translated *Jenseitigkeit* as situated-beyondness, the ability to situate itself beyond.

3. "It is a necessary condition for the overall production process, in other words for the social capital, that this is at the same time a process of reproduction, and hence the circuit of each of its movements." (*Capital II* p. 184)

4. "In the form C-M-C it is the commodity that is the beginning and. end. of the movement; in the form M-C-M it is money. Money mediates the exchange of commodities in the first form, the commodity mediates the becoming of money into money in the second .. ... The exchange of material is the content of C-M-C, while the real content of the second process M-C-M is the commodity in the form in which it emerged from the first process." (*Contribution* pp. 122-3)

5. It should be noted that the *Results* is a draft containing occasionally important errors. In the entire passage on pages 977-8, the economic formulation may be correct, but the mathematical one is not. One cannot write:

$$(c + v) = c + (v + v)$$

Also, by omitting the working out ("As we shall see in the analysis of the real production process"), Marx produces a tautology. While we were editing our commentary, we left out the passage in which the error occurs, without noting this. (Note of December 1972)

6. "The transformation of the sum of money advanced, that has to valorize and transform itself into capital, into the *factors of the production process*, is an act in commodity circulation, of the process of exchange, and it breaks down into a series of purchases. This *act*, then, takes place *beyond* the immediate process of production. It only inaugurates it, though it is its *necessary precondition* and if we look beyond the immediate process of production, and consider the whole and. continuing process of capitalist production, we find that this transformation of money into the *factors of the production process*, the purchase of means of production and. labour-capacity, itself constitutes an *immanent moment of the overall process*. (*Results* p. 979)

7. This is not the case in the USA, where, at present, a productive machine, sometimes operating at above 90% of capacity, produces a national income occasionally beating the all-time record.

8. "But continuity is the characteristic feature of capitalist production, and is required by its technical basis... The real circuit of industrial capital in its continuity is therefore not only a unified process of circulation and production, but also a unity of all its three circuits." (*Capital II* pp. 182-3)

9. We must start from the production process in order to understand the difference between fixed and circulating capital; hence the importance of the clarification in the *Results* of the definition of labour process and valorization process, with the immediate process of production as their unity.

"Thus the lesser durability and the difference between fixed and circulating capital in general, are reduced to the difference in the *period of reproduction*. This is certainly a crucially important determination. But by no means the only one. Fixed capital enters wholly into the labour process and only in successive stages and by instalments into the valorization process. This is another major distinction in their form of

circulation. Furthermore, fixed capital enters - *necessarily* enters - only as its *exchange-value* into the process of circulation, while its use-value is consumed in the labour-process and never leaves it. This is another important distinction in the *form of circulation*. Both distinctions in the form of circulation also concern the period of circulation; but they are not identical with the degrees and the differences." (TSV II p. 196)

10. This very complex question is not developed here given that we are only providing the consequences of the definition of capital as value in process (which best encompasses the reality of the latter). (Cf. Grundrisse) Let us specify that the variation of value occurs due to the turnover (circulation time not equalling zero) and the transformation into production price.

11. This extraordinary passage of Marx's on the non-existence of capital was commented on by Bordiga in *il programma comunista* no 12, 1960.

12. It should be added that capital avoids agriculture as it over-fixes value: a) too great an importance of fixed capital, b) too slow a turnover. Besides, capital keeps men in agriculture who sell their produce below their individual values, providing a quantity of surplus-labour for society for nothing. Hence it is an 'auxiliary' means for capital to pump out surplus-value. This question is linked to those of valorization and devalorization dealt with in previous notes. We cannot deal with it here, it is enough to see that it is a consequence of the same being of capital - value in process.

13. The quotation above, as well as those on pages 20 and 52, taken from pages 61-3 of the *Contribution to the Critique of Political Economy* are found at the end of the section dealing with the various theories on the analysis of the commodity. This is in the first chapter ('The Commodity') of the first section ('Capital in General'). This is where one has to begin to consider Marx's theory of value, as we see it. One could say that he draws attention to all the objections raised against Ricardo as the most authoritative interpreter of the theory of value as it was he who demonstrated most perfectly "the determination of exchange-value by labour-time". We did not take the precaution at the time of returning, at the end of our work, to this kind of plan of Marx's work; a plan which was not clear on the surface, but worked in parallel with the one which was finally adopted. Marx wished to demonstrate the validity of the law of value, even when the capitalist mode of production is developed, by writing the critique of political economy. This does not mean that he thought that the law would always be the same, especially as this would be to make it eternal. We have already dealt with this question in this text on the *Results* now we would merely care to add that Engels, in his supplement to *Capital* Volume III, did not truly understand Marx's theoretical behaviour on the law of value.

"To sum up, Marx's law of value applies universally, as much as any economic laws do apply, for the entire period of simple commodity production, i.e. up to the time that this undergoes a modification by the onset of the capitalist form of production." (*Capital* III p. 1037)

In fact it is Ricardo's law which is valid, with the specification that Marx gave this law all its validity by explaining wages: the worker sells his labour power and not his labour. This is exactly what provides the basis for understanding how the law of value operates in the capitalist mode of production. The later modification is, if you like, at a microeconomic level: at the level of each individual enterprise, it seems that the law of value does not work. However, it can be said that it is operative in a larger sense; to begin with, the price of production of a given productive unit, which can differ from the value (surplus-value not equalling profit), is in fact determined by capital as the totality of various capitals; besides, on the social level (macro-economic level) the sum of profits equals the sum of surplus-value, that of prices of production equals that of values. Thus for Marx the law of value still operated. This is what he shows in Chapters 49 and 50 ('On the analysis of the production process' and 'The illusion created by competition'). The real question is that asked by Marx in the *Grundrisse* and which we have considered in this study of the *Results* what really does the law of value become when there is devalorization by loss of substance, when the quantum of labour incorporated in the commodity declines and finally disappears? Could one then speak, even at a social level, of the law of value when the substance of it vanishes? Marx's reply in the

*Grundrisse* and the exposition in *Capital* Volume III (both considered in the following pages) are somehow juxtaposed. This is probably because we do not have all the manuscripts of *Capital*. (Note of May 1972)

14. Marx uses the verb *sich unterordnen* (Das Kapital ordnet sich „die Arbeit unter...), the substantive of which is *Unterordnung* = subordination.

15. Dangeville gives an entirely similar definition of the immediate process of production: "In fact the immediate process of production links physical relations and material operations to transform the means of production into products, without considering the intermediaries constituted by social institutions and class relations." ('Presentation' to Marx *Un Chapitre Inédit du Capital* 10/18 1971) The difference lies in the magical determination given in this last definition.

16. "Even though the excess of value of the commodity over its cost price arises in the immediate process of production, it is only in the circulation process that it is realized..." (*Capital* III p. 134)

### **Chapter 3: *The different periods of the capitalist form***

#### (a) Formal subsumption of labour under capital

#### (b) Real subsumption of labour under capital

#### - Note on the subject of formal domination and real domination (1972)

“A presupposition of wage-labour, and one of the historic preconditions for capital, is free labour and the exchange of this free labour for money, in order to reproduce and valorize the money, to be consumed by money as a use-value not for consumption (*Genuss*), but as a use-value for money. (Here Marx defines very concisely the labour process and valorization process, with the latter prevailing over the former, as we have also seen in the *Results* ed.) Another presupposition is the separation of free labour from the objective conditions of its realization- from the means of labour and the material for labour. Thus, above all, release of the worker from the soil as his natural workshop- hence dissolution of small, free landed property as well as of communal (*gemeinschaftlichen*) landownership resting on the oriental commune (*Kommune*).” (*Grundrisse* p. 471)

It is therefore a question of examining how these forms of property (or rather these forms of appropriating the product) came to dissolve and how the various social relations were destroyed, allowing for the appearance of capital. This is what Marx analyses in the chapter of the *Grundrisse* called ‘Forms preceding capitalist production’. He considers these transformations for the following modes of production:

1. Primitive communism
2. Forms derived from it:
  - ancient
  - Germanic
  - Asiatic <sup>[1]</sup>
3. Feudalism
4. Capitalism

Now we must see how capital fully realizes the production of the free worker and how it dominates him.

Before going any further, we should observe that, if the phenomenon of autonomization (an essential condition for the birth of capital) is highlighted in the analysis of value, the phenomenon of expropriation predominates in the study of the separation of the worker from his community and his own conditions of labour. Later on the two combined, integrated and became the motor of capital. Therefore in the following pages we shall try to point out the twin movement of expropriation and autonomization, through which the life of capital expresses itself and inside which capital reaches its final development. This movement is the same one as expressed in the fundamental contradiction: valorization - devalorization, which, as we have seen, shows itself from the very birth of capital, from its first appearances, because it is inherent in it.

Marx continued this work of periodization in the *Results* by describing the two phases of the social development of capital, and by showing how the contradiction indicated above developed until it concealed all the others and became the fundamental contradiction.

#### ***A. The formal subsumption of labour under capital***

Marx analysed how the capitalist mode of production emerged already within the old feudal mode; how at first it remained imprisoned within it, and how later it imposed itself on its adversary by subsuming the immediate process of production under itself. This moment (transition) was indicated in *Capital* Volume I Part 3:

“The production process, considered as the unity of the labour process and the value creating process, is the process of production of commodities; considered as the unity of the labour process and the valorization process, it is the capitalist process of production, or the capitalist form of the production of commodities.” (*Capital I* p. 304)<sup>[2]</sup>

But this is defined categorically in the *Results*:

“The labour process becomes the instrument of the valorization process, the process of the self-valorization of capital- the manufacture of surplus-value. The labour process is subsumed under capital (it is its *own* process) and the capitalist intervenes in the process as its director, manager. For him it also represents the direct exploitation process of the labour of others. This I call the *formal subsumption of labour under capital*. It is the *general* form of every capitalist process of production; and at the same time, however, it can be found as a *particular* form alongside the *specifically capitalist mode of production* in its developed form, because although the latter entails the former, the converse does not necessarily obtain. (...)”

“The process of production has become the process of capital itself. It is a process involving the *factors of the labour process* into which the capitalist money has been converted and which proceeds under his direction with the sole purpose of using money to make more money.” (*Results* pp. 1019-20)

This formal subsumption is linked to the production of absolute surplus-value. Basically capitalism has subsumed the worker and makes him work on its behalf.

“Originally, when we examined the passage of value into capital, the labour process was simply included within capital...” (*Grundrisse* p. 691)

The capitalist cannot obtain a greater value without prolonging the working day. He has not yet overthrown the very basis of society. He has only substituted himself for another exploiter. Formal domination, therefore, is characterized essentially by the following: capitalism is distinguished from other modes of production because it is not based simply on appropriation of surplus-value, but on its creation.

Marx explains in detail how quantitative changes in various sectors of social life provoke qualitative changes; but the basis still remains commodity production.

## ***B. Real subsumption of labour under capital***

### 1) General characteristics

“The general feature of *formal subsumption* remains, i.e. the direct *subordination of the labour process* irrespective of the state of its technological development, *to capital*. But on this foundation there now arises a technologically and otherwise *specific mode of production - capitalist mode of production* - which transforms the *real nature of the labour process and its actual conditions*. Only when that happens do we witness the *real subsumption of labour under capital*. (*Results* p. 1034)

This new subsumption presupposes that “a complete (and constantly continued and repeated) revolution takes place in the mode of production, in the productivity of the workers and in the relation between workers and capitalists.” (*ibid.* p. 1035)

It is based on the production of a surplus-value which is no longer absolute, but relative;

“If the production of absolute surplus-value was the material expression of the formal subsumption of labour under capital, then the production of relative surplus-value may be viewed as the real subsumption of labour under capital.” (...)

“At any rate, if we consider the two forms of surplus-value, absolute and relative, separately, we shall see that absolute surplus-value always precedes relative. To these two forms of surplus-value there correspond two separate forms of the subsumption of labour under capital, or two distinct forms of capitalist production. And here too one form always precedes the other, although the second form, the more highly developed one, can provide the foundations for the introduction of the first in new branches of industry.” (ibid. p. 1025)

This was dealt with, although in a different manner, in *Capital* Volume I Part Five:

“The production of absolute surplus-value turns exclusively on the length of the working day, whereas the production of relative surplus-value completely revolutionizes the technical processes of labour and the groupings into which society is divided”

“It therefore requires a specifically capitalist mode of production...” (*Capital* I p. 645)

This section immediately follows the one on relative surplus-value. Marx undertook a synthesis of everything that he had already developed on the subject of surplus-value in all the social forms in which it had appeared, and then, as we have already noted, indicated the periods of formal and real subsumption under capital (without however naming them) and also the passage from one to the other. Finally he showed the 'Changes of magnitude in the Price of Labour Power and in Surplus-Value' (which explains the title of the Part 'The Production of Absolute and Relative Surplus-Value'). It was a question of knowing how surplus-value appeared in the period of the real subsumption of labour under capital. Marx gave three cases. The first: variation of production due to labour productivity; this is the one arising with real domination of capital, the other two "operating" especially within formal domination. Thus it is probable that the *Results* if it had been published, would have been included in this Part Five of *Capital* all the more so as Marx deals with productive and unproductive labour in this part, which are also studied at length in the *Results*. The connection between the two subjects is completely logical, since capital is no longer interested in just any labour, but only that which produces surplus-value. Another argument in favour of this hypothesis is that the subject of the next Part is 'Wages'.

Marx analysed next the connection between the two moments, later studied in depth in Parts Four and Five of Volume I, as we have mentioned. He pointed out the immanent tendency of capital:

“‘*Production for production’s sake*’ - production as an end in itself - does indeed come onto the scene with the *formal subsumption of labour under capital*. It makes its appearance as soon as the immediate purpose of production is to produce *as much and as many surplus-value as possible*, as soon as the exchange-value of the product becomes the deciding factor. But this *inherent* tendency of the capital relation does not become *adequately realized* - it does not become *indispensable*, and that also means *technologically* indispensable - until the *specific capitalist mode of production* and hence the *real subsumption of labour under capital* has developed.” (ibid. p. 1037)

From this derive:

#### a) Definition of capitalism

This integrates the two preceding definitions linked to production and circulation as particular moments of capitalist development:

"On the one hand, there is the negative or contradictory character; *production* in contradiction, and indifference to the *producers*. The real producer as a mere means of production, material



wealth as an end in itself. And so the growth of this reified wealth is brought about in contradiction to and at the expense of, the individual human being (*menschlichen Individuums*). (ibid. p. 1037)

#### b) The law of capitalism -

"*Productivity of labour* in general = *the maximum product with the minimum of work...*" (ibid., p. 1037)

"Through this process, the quantum of labour necessary for the production of a given object is indeed reduced to a minimum, but only in order to valorize a maximum of labour in the maximum number of such objects." (*Grundrisse* p. 701)

#### c) Field of application of the law

"...instead of the scale of production being controlled by existing needs, the quantity of products made is determined by the constantly increasing scale of production dictated by the mode of production itself." (*Results* pp. 1037-8)

#### d) Purpose

"Its aim is that the individual product should contain as *much unpaid labour as possible* and this is achieved only by *producing for the sake of production*." (ibid. p. 1038)

"The pressure to reduce the cost price to its minimum becomes the strongest lever for raising the social productivity of labour..." (*Capital* III p. 1021)<sup>[3]</sup>

#### e) Modifications to the law of value

"This becomes manifest, *on the one hand*, as a *law*, since the capitalist who produces on too small a scale puts more than the socially necessary quantum of labour into his products. That is to say, it becomes manifest as an adequate embodiment of the *law of value* which develops fully only on the foundation of the capitalist mode of production." (*Results* p. 1038)

Here Marx indicates the moment when there is still formal subsumption. Later, capital dominates the law of value and exploits it to its own advantage.

"But, *on the other hand* it becomes manifest as the desire of the individual capitalist who, in his wish to render the law ineffectual and turn it to his own *advantage* reduces the *individual value* of his product to a point where it falls *below* its socially determined value." (ibid. p. 1038)

Again there is devalorization, which has already been mentioned. Here it results from the antagonism between social capital, capital in general, and capitals in particular. The dynamic of value in process, of self-valorizing value, has its negative aspect of devalorization. It is the entire mechanism explained in *Capital* Volume III, to which we have referred, in the transformation of value into production price. Here too there is included, although still potentially, the law of the tendential fall in the rate of profit. In any case, before going on to the analysis of these consequences, we must return to the characteristics of the real subsumption of labour under capital and the implied consequences.

#### 2) Fixed capital and real domination of capital

The labour process was, like the valorization process, very important in the period of the formal domination. Capital dominated the proletariat, and its domination was that of variable capital. Capital

wanted to use the maximum number of workers to obtain the maximum amount of surplus-value. Also, the old conception of man as the goal of production had not yet been completely supplanted by that of capitalism; the old idea still coloured the theories of the first economists of capital, such as Adam Smith. It was a time when man, though no longer the goal of production, still remained a determining element in it. Also, because it was in this period that the proletariat constituted the numerically largest stratum of the population (e.g. England in the early 1800s).

But in the period of real domination, the essential element becomes fixed capital

"It is in the production of *fixed capital* that *capital... posits itself as an end in itself*. (*Grundrisse* p. 710)

"The means of production become no more than *leeches* drawing off as large a quantum of living labour as they can." (*Results* p. 988)<sup>[4]</sup>

"...this ability of objectified labour (i.e. labour as the creator of value- ed.) to transform itself into *capital* i.e. to transform the means of production into means of controlling and exploiting living labour, appears as something utterly appropriate to them ...as inseparable from them..." (ibid. pp. 988-9)

This becomes possible through:

"the *use of science*, this *general* product of social development, in the *immediate process of production*. (ibid. p. 1024)

Capitalism appears as the exploiter of all human generations, past and present, seeking moreover to guarantee the exploitation of generations yet to come.

Marx analysed the phenomenon in more detail in the *Grundrisse*:

"The increase of the productive force of labour and the greatest possible negation of necessary labour is the necessary tendency of capital, as we have seen. The transformation of means of labour into machinery is the realization of this tendency. In machinery, objectified labour materially confronts living labour as a ruling power and as an active subsumption of the latter under itself, not only by appropriating it, but in the real production process itself; the relation of capital as value that appropriates valorizing activity (*verwertende Tätigkeit* - a definition of labour power identical to that in the *Urtext* - ed.) is, in fixed capital existing as machinery, posited at the same time as the relation of the use-value of capital to the use-value of labour capacity; further, the value objectified in the machinery appears as a presupposition against which the valorizing power of the individual labour capacity is an infinitesimal, vanishing magnitude..." (*Grundrisse* pp. 693-24.)

This devalorization is expressed in the inessential aspect that man's activity in the production process tends to assume.

"To the degree that labour time - the mere quantum of labour - is posited by capital as the sole determinant element, to that degree does immediate labour and its quantity disappear as the determinant principle of production - of the creation of use-values -" (*Grundrisse* p. 700)

A little further on:

"Labour no longer appears to be included so much within the labour process; rather, the human being comes to relate more as a watchman and regulator to the production process itself." (ibid. p. 705)

Finally:

"The worker appears as superfluous to the extent that his action is not conditioned by capital's requirements." (ibid. p. 695)

"(Immediate labour) is reduced, both quantitatively, to a smaller proportion, and qualitatively, as an, of course, indispensable, but subordinate moment compared to general scientific labour, technological application of the natural sciences on the one hand, and to the general productive force arising from the social combination (*Gliederung*) in total production on the other - a combination which appears as a natural fruit of social labour (although it is a historical product). Capital thus works towards its own dissolution as the form dominating production." (ibid. p. 700)

Devalorization thus stands in relation not only to the socialization of production, but also to the socialization of man himself; large-scale industry produces the collective worker which is the basis of the social man of tomorrow. This is the meaning of *Capital* Volume I Parts Four and Five.

The process of the destruction of the human being by the exploitation of the proletariat has its positive side in the dissolution of capitalism, and thus can be the point of departure for communism. We can complete the analysis of the subsumption of the worker under fixed capital with some more citations from the *Grundrisse*.

"...the entire production process-appears as not subsumed under the immediate skilfulness of the worker, but rather as the technological application of science." (ibid. p. 699)

"The accumulation of knowledge and of skill, of the general productive forces of the social brain, is thus absorbed into capital, as opposed to labour, and hence appears as an attribute of capital, and more specifically of *fixed capital* in so far as it enters into the production process as a means of production proper." (ibid. p. 694)

The use-value of capital (objectified labour) supplants the use-value of living labour. It destroys in parallel the basis of individual production.

"In direct exchange, individual immediate labour appears as realized in a particular product or part of the product, and its communal, social character - its character as objectification of general labour and satisfaction of the general need - as posited through exchange alone. In the production process of large-scale industry, by contrast, just as the conquest of the forces of nature by the social intellect is the precondition of the productive power of the means of labour as developed into the automatic process, on one hand, so, on the other, is the *labour of the individual in its direct presence posited as suspended i.e. as social labour. Thus the other basis for this mode of production falls away.*" (*Grundrisse* p. 709)

After subjugating all production, capital also subjugates the means of circulation:

"...the production of cheap means of communication and transport is a condition for production based on capital, and promoted by it for that reason." (ibid. p. 524)

"The separation of *public works* from the state and their migration into the domain of the works undertaken by capital itself, indicates the degree to which the real community has constituted itself in the form of capital." (ibid. p. 531)

But does not this community (*Gemeinwesen*) inhibit the movement of valorization, or, in other words, has not capital itself created an obstacle to its own development as self-valorizing value? And is this not a contradiction between socialization of production and privatization of the appropriation of surplus-value,

between the result of development and its basis? Capital resolves these problems in its own way, destroying, as we have seen, what has been socialized.

### 3) Circulating capital and real domination of capital

Circulating capital too assumes a new function in the period of real subsumption of labour under capital:

"...thus does it now appear as a quality of *circulating capital* to maintain labour in one branch of production by means of *co-existing labour* in another." (ibid. p. 700)

"In the minor circulation (i.e. in the course of the exchange  $M \xrightarrow{v} C$  (v), the buying of labour power - ed.), capital advances to the worker the wages which the latter exchanges for products necessary for his consumption. The money he obtains has this power only because others are working alongside him at the same time and capital can give him claims on alien labour, in the form of money, only because it has appropriated his own labour. This exchange of one's own labour with the labour of others appears here not as mediated and determined by the simultaneous existence of the labour of others, but rather by the advance which capital makes. That the worker can effect the organic exchange (*Stoffwechsel*)<sup>[5]</sup> necessary for his consumption during production appears as due to an attribute on the part of *circulating capital* which is paid to the worker, and of the circulating capital generally. It appears not as an organic exchange between the simultaneous labour powers, but as the organic exchange of capital; thus, that circulating capital exists." (ibid. p. 700)

This function was fulfilled by labour during the period of formal domination:

"But when considering circulation and the reproduction process, we have seen that it is only possible to reproduce the commodity after it is finished and converted into money, because *simultaneously* all its elements have been produced and reproduced by means of co-existing labour." (TSV III p. 278)

Here Marx took up a point that Hodgskin made in a polemic with Ricardo: he wanted to make it clear how it was that labour produces all wealth:

"What emerges from one sphere of production as the product enters another as a condition of production, and in this way goes through many successive phases until it receives its last finish as use-value. Here previous labour appears continually as the condition for existing labour." (ibid.)

"There exists not only a cycle comprising various phases, but all the phases of the commodity are simultaneously produced in the various spheres and branches of production. If the same peasant just plants flax, then spins it, then weaves it, these operations are performed in succession, but not simultaneously as the mode of production based on the division of labour within society presupposes."

"No matter what phase of the production process of an individual commodity is considered, the antecedent labour only acquires significance as a result of the living labour which it provides with the necessary conditions of production." (ibid. p. 279)

But, if it is true that labour creates all wealth, it is no less true that capital, as it appropriates surplus-value, seems to be endowed with this ability. This occurs in the phase of real domination, in which everything appears as capital. Marx therefore ceased to use the term co-existing labour and used co-existing capital instead.

"Thus all powers of labour are transposed into powers of capital; the productive power of labour into fixed capital (posited as external to labour and as existing independently of it

(reified (*sachlich*)); and, in circulating capital, the fact that the worker himself has created the conditions for the repetition of his labour, and that the exchange of this, his labour, is mediated by the co-existing labour of others, appears in such a way that capital gives him an advance and posits the simultaneity of the branches of labour, (These last two aspects actually belong to accumulation.) Capital in the form of circulating capital posits itself as mediator between the different workers." (*Grundrisse* p. 701)

The continuity of capital, the possibility of its reproduction, lies in co-existing labour; but, given wage-labour, it appears as a property of capital in its form of circulating capital.

Now everything has become capital. The real subject of production, human labour, is masked. This will have repercussions inside the process of production of capital. In it:

"The labour time employed in the production of fixed capital relates to that employed in the production of circulating capital, within the production process of capital itself, as does *surplus labour time to necessary labour time*. To the degree that production aimed at the satisfaction of immediate need becomes more productive, a greater part of production can be directed towards the need of production itself, or the production of means of production." (ibid. p. 709)

At this point we have the total subsumption of labour under capital;

"Where capital rules (just as where there is slavery and bondage or serfdom of any kind), the worker's absolute labour time is posited for him as condition of being allowed to work the necessary labour time, i.e. of being allowed to realize the labour time necessary for the maintenance of his labour capacity in use-values for himself." (ibid. p. 533)

#### 4) Commodities - Products of capital

"Originally we regarded the *individual commodity* as the result and direct product of a determined quantum of labour. Now that the commodity appears as the *product of capitalist production*, there is a formal change in this respect." (TSV II p. 2614)

The determination of value through the labour time required to produce or, more exactly, to reproduce, a commodity is no longer sufficient at this point. Now we must introduce two new elements: paid labour time linked to necessary labour time, and unpaid labour time tied to surplus-value.

"The *commodity* as the *product of capital* can be said to contain one part paid, another part unpaid labour." (*Results* p. 954)

This must be specified by saying:

"A portion of this objectified labour (aside from constant capital for which an equivalent has been paid) is exchanged for the equivalent of the worker's wages; another portion is appropriated by the capitalist without any equivalent being paid." (ibid.)

So there is non-equivalence and the law of value cannot function! This is the great difficulty that the classical economists were unable to overcome:

"Ricardo does not actually explain how the exchange of commodities according to the law of value (according to the labour time embodied in the commodities) gives rise to the unequal exchange between capital and living labour..." (TSV III p. i.)

Marx clearly poses the source of this difficulty:

"Now, wage-labour, however, is a commodity. It is even the basis on which the production of products as commodities takes place. The law of value is not applicable to it. Capitalist production therefore is not governed at all by this law." (TSV II p. 397)

That was the conclusion of the economists, but Marx resolved the problem by demonstrating, as we have seen, that the exchange takes place between objectified capital-labour and labour-power; the latter, in the course of its productive consumption, generating a quantum of value greater than that with which it is exchanged. The entire development of capitalism consists of the search to extract an ever greater quantum of value from living labour; thus, to say that commodities produced by capital contain ever more unpaid labour corresponds to the following thesis: capital dominates labour-power to an ever greater extent and exploits it ever more intensively, without ever contradicting the law of value. The value of labour power has to fall to a minimum for this to happen (another aspect of devalorization), in such a way that, for a determined period of its utilization, the surplus-value extracted is as great as possible.

Another characteristic of the commodity as the product of capital is that

"the individual commodity does not appear materially as a part of the total product of capital, but as an aliquot part of the total produced by it." (Results p. 954)<sup>[6]</sup>

Marx then indicates the tendency of capital regarding the production of commodities: -

"Apart from certain extraneous factors irrelevant for our present purposes, the tendency and the result of the capitalist mode of production is steadily to increase the productivity of labour. (Which is a consequence of the law indicated above - ed.) Hence it also increases the mass of the means of production converted into products by the use of the same quantity of additional labour. This additional labour is then distributed progressively over a greater mass of products, thus reducing the *price* of each individual commodity, and commodity prices in general." (ibid. pp. 959-60)

"...more goods are produced containing a *greater* proportion of unpaid labour." (ibid. p. 962)<sup>[7]</sup>

A final characteristic of the commodity, directly linked to devalorization:

"*The individual commodity* viewed as the product of capital, the actual elementary component of the reproduced and valorized capital, differs then from the individual commodity with which we began regarded as the presupposition of the constitution of capital, as the commodity considered as *autonomous* also in that - except for so far considered in the points of price determination if the commodity is sold at its price, the *value* of the capital invested in its production may not be realized, and the *surplus-value* created by that capital even less so." (ibid. p. 966)

Here too the *Results* anticipates the content of *Capital* Volume III: the transformation of value into production price, and the tendency for the rate of profit to fall. Thus it is really a synthesis of Marx's entire work, at the same time providing a unifying thread, essential for the study of the forms of value in the capitalist system.

##### 5) Capital and the domination of the law of value: Autonomization of capital

Firstly one must note that the commodity as product of capital presupposes a change in the form of production. In particular, the commodity in simple commodity production was the goal of production, the real product of production. However, in capitalism this is no longer the case and the commodity is only apparently the product of production. The real product is surplus-value. But to affirm this is to deny that capital really dominates the conditions of production, production itself. Really, it would be the same as emphasizing the action of man, of the proletariat, which really did produce the surplus-value. As we have

seen, when capital attains total domination, it appears as though it creates the excess of value itself. This is why the transformation of surplus-value into profit, and the rate of surplus-value into the rate of profit, derives directly from capital's domination: one is indissolubly linked with the other. This is why Marx, in the *Grundrisse* writes of interest-bearing capital when analysing the transformation of surplus-value into profit.

Thus we must see how capitalism subsumes the law of value, so as to extract the greatest possible value from labour, in order to resolve the apparent contradiction mentioned in the previous citation. For the problem, we must remember, is always situated on the level of value.

"Whatever may be the ways in which the prices of different commodities are first established or fixed in relation to one another, the law of value governs their movement." (*Capital* III p. 277)

"All changes in the price of production of commodities can be ultimately reduced to a change in value." (ibid. p. 308)

Besides, the whole life of capital - value in process - consists in overcoming the revolutions of value:

"Since we are firstly dealing here with the forms of movement, we have not considered the revolutions that the capital value may suffer in its circulatory process; it is clear however that despite all revolutions in value capitalist production can exist and continue to exist only so long as the capital value is valorized, i.e. describes its circuit as value that has become independent, and therefore so long as the revolutions in value are somehow or other mastered and balanced out." (*Capital* II p. 185)

The contradiction thus unfolds in the development of capital value.

For capital to manifest itself according to its being, it must always be value in process, which has a corollary that it must not be fixed in any way, in any of its determinations. On the contrary, it must assume and then abandon all the forms successively to realize the valorization of the value advanced. This can be expressed in other terms as exchange-value that has reached autonomy. We saw the first phase of this development in the *Urtext*. In the *Results* Marx states that this autonomy is a characteristic of the capitalist mode of production. In *Capital* Volume II, and above all in Volume III, he also explains how capital makes itself autonomous. This implies the domination of the process which, historically, generated it, in fact is analogous to that of gold:

"The movement through which this process has been mediated vanishes in its own result, leaving no trace behind. Without any initiative on their part, the commodities find their own value-configuration ready to hand. in the commodity-bodies (*Warenkörper*) existing outside, but also alongside them. These physical objects, gold and silver, immediately on appearance from the bowels of the earth, become the direct incarnation of all human labour. Hence the magic of money." (*Capital* I p. 187)

But capital has a magic power too, since the economists say that it is capable of creating value. Let us look at the various stages of autonomization.

a) *Transformation of surplus-value into profit and rate of surplus-value into rate of profit*

What is essential to capital is to valorize, to generate an increment of value, and not necessarily to realize the whole of the surplus-value that it squeezes out of the worker. In fact, the capitalist advances a certain capital  $k = (c + v)$ , which he calls the cost of production:



"The capitalist cost of the commodity is measured by the expenditure of *capital* whereas the actual cost of the commodity is measured by the expenditure of *labour*." (*Capital* III p. 118)

We see that at this point capital posits itself as the dominating element, since surplus-value is not taken into account in the production cost. In other words, the valorization process prevails over the labour process.

Once  $k$  has entered into the process of production and circulation, the capitalist wants to obtain a quantity  $k'$  which is larger than  $k$ . It is evident that he would also like  $k'$  to be as large as possible, but competition has the effect that this can only be realized within certain limits. Thus capital is not viable until it is able to generate an increase - even a minimal one - so that  $k'$  is different from  $k$ ; i.e.  $k$  must be transformed into  $k + \Delta k$ , such that  $k' - k = \Delta k$ .  $\Delta k$  is profit. Thus we find the formula that Marx used in the *Results* when he analysed the transformation of money into capital. A sum of money  $x$  is only capital if it can be transformed into  $x + \Delta x$ .

"Profit, as we are originally faced with it, is thus the same thing as surplus-value, save in a mystified form, though one that necessarily arises from the capitalist mode of production. Because no distinction between constant and variable capital can be recognized in the apparent formation of the cost price, the origin of the change in value that occurs in the course of the production process is shifted from the variable capital to the capital as a whole. Because the price of labour-power appears at one pole in the transformed form of wages, surplus-value appears at the other pole in the transformed form of profit." (*Capital* III p. 127)

The same happens with the rate of profit:

"The rate of surplus-value, as measured against the variable capital, is known as the rate of surplus-value; the rate of surplus-value, as measured against the total capital, is known as the rate of profit. These are two different standards for measuring the same quantity, and as a result are able to express the different relationships in which the same quantity may stand." (ibid. pp. 133-4)

From this point on:

"...*capital appears as a relationship to itself*, a relationship in which it is distinguished as an original sum of value, from another new value that it posits." (ibid. p. 139)

Similarly, surplus-value had to be distinguished from the advanced, value. Moreover, capital, which has taken over all branches of production - everything has become capital - needs its own system of measurement.<sup>[8]</sup> This is why we find the autonomization that will develop into the transformation of profit into average social profit.

#### *b) Transformation of profit into average social profit.*

Social capital, as a whole, gives rise to a certain profit. The rate of average social profit is given by the relation of this total profit to the totality of capital advanced. The whole of social capital thus determines the rate of profit, -imposing it on all the individual capitals. Also the mass of profit is equal to the mass of surplus-value. As aliquot parts of social capital, all capitals tend to realize the average social rate of profit and thus to secure a portion of the social mass of surplus-value expropriated from the workers. But they can only do so in proportion to the surplus-value that they have really squeezed out of the proletariat. What matters is to recuperate a quantity of surplus-value larger than the one advanced: this takes place through competition between different capitals.

At this point of the argument, Marx makes an observation that situates in a new way the apparent contradiction of which we spoke regarding the law of value in capitalism:

"We have shown, therefore, that in different branches of industry unequal profit rates prevail, corresponding to the different organic composition of capitals, and, within the indicated limits, corresponding also to their different turnover times; so that at a given rate of surplus-value it is only for capitals of the same organic composition - assuming equal turnover times - that the law holds good, as a general tendency, that profits stand in direct proportion to the amount of capital, and that capitals of equal size yield equal profits in the same period of time. The above argument is true on the same basis as our whole investigation so far: that commodities are sold at their values. There is no doubt, however, that in actual fact, ignoring inessential, accidental circumstances that cancel each other out, no such variation in the average rate of profit exists between different branches of industry, and it could not exist without abolishing the entire system of capitalist production. The theory of value thus appears incompatible with the actual movement, incompatible with the actual phenomena of production, and it might seem that we must abandon all hope of understanding these phenomena." (ibid. p. 252)

Having mentioned the apparent contradiction which we mentioned, Marx goes on to show where the real difficulty lies:

"The whole difficulty arises from the fact that commodities are not exchanged simply as *commodities* but as the *products of capitals*, which claim shares in the total mass of surplus-value according to their size, equal shares for equal size." (ibid. p. 275)

As we have said, the mass of surplus-value is equal to the mass of profit. All capitals earn in proportion to their size.

All the end of this process of equalization, all surplus-value (and thus all profit) has been divided among the various capitals. For every capital, the increase of value derives from one source only the workers' labour power. Social capital divides the extorted surplus-value by means of competition:

"Competition executes the inner laws of capital; makes them into compulsory laws for the individual capital, but it does not invent them. It realizes them." (*Grundrisse* p. 752)

Thus capital has subsumed under itself the law of value - this was already indicated in the passage to the real domination of capital, i.e. when capital absolutely dominates the very fount of value - it mediates the individual values, and their mediated form is production price (cost of production + profit:  $c + v + \text{II} = k'$ ).

"The changes in the labour-time required for the production of the commodities and, therefore in their value, now appear in connection with the cost price, and therefore also with the price of production, as a different distribution of the same wages over more or fewer commodities, according to whether more or fewer commodities are produced in the same labour-time for the same wages. What the capitalist sees, and therefore the political economist as well, is that the part of paid labour which falls to each item of the commodity changes with the productivity of labour, and so too therefore does the value of each individual article; he does not see that this is also the case with the unpaid labour contained in each article, and the less so, as the average profit is in fact only accidentally determined by the unpaid labour absorbed in his own sphere. The fact that the value of commodities is determined by the labour they contain now continues to percolate through only in this crudified and aconceptual form." (*Capital* III p. 272)

The movement which generated capital (the exchange between living and dead, objectified labour) is masked; as is the relation between variable and constant capital, on one hand, and the relation between variable capital and surplus-value (only the surplus-value of a capital with the average social organic composition is equal to profit), on the other. In fact it is the amount  $c + v = k$ , as production cost and advanced capital, that is the determining factor. The movement disappears in the result: the magic of capital.

One should recall on this subject the objections made by the economists, presented by Marx in the *Contribution*:

"In accordance with the changing conditions of demand and supply, the market price of commodities falls below or rises above their exchange-value. The exchange-value of commodities is, *consequently*, determined not by the labourtime contained in them, but by the relation of demand and supply. In fact this strange conclusion only raises the question of how *on the basis of exchange-value* (our emphasis - ed.) a market price differing from this exchange-value comes into being, or rather, how the law of value asserts itself only in its antithesis." (*Contribution* p. 62)

Invariance of Marxism! The solution was well known before the publication of *Capital* Volume III. Nevertheless, there were, and still are, halfwits who maintain that the explanation given of production prices is a concession. Marx did not make a theoretical retreat; he did not need to make concessions because everything was included in the forms of value.

The vulgar economists who made the above objection maintained in practice that the law of value no longer operated under capitalism; that the value of commodities was no longer determined by socially necessary labour time.

"It is clear therefore that although cost prices of most commodities must differ from their values, and hence their "costs of production" from the total quantity of labour contained in them, nevertheless those costs of production and those cost prices and not only determined by the values of commodities, confirm the law of value instead of contradicting it, but, moreover, that only on the foundation of value and its law, the very existence of costs of production, and cost prices can be conceived, and becomes a meaningless absurdity without that premise.

"At the same time, one perceives how economists who, on the one hand., observe the actual phenomena of competition and, on the other hand, do not understand the mediation between the law of value and the law of cost price, resort to the fiction that capital, not labour, determines the value of commodities, or rather that it gives no value." (TSV III pp. 82-3)

The economists come to a conclusion of this sort because they base their arguments on the apparent phenomenon and its result: the autonomization of capital. But this appearance only means that capitalism dominates the law of value. If value really no longer existed, it would mean that capital had totally freed itself from its basis, from its own conditions of life: exchange between living and objectified labour, it would create products by itself and there would no longer be valorization. The exchange is masked at the level of the individual capital, but reappears bright and clear at the social level, even if the quantity of living labour tends to diminish.

The formation of an average social rate of profit is the result of the autonomization of capital. It can become autonomous only by developing its social character, as happened with exchange-value during the period of mercantile production. We saw how value, through the generalization of exchange, increasingly becomes the representative of the entire abstract labour of society (money). By thus assuming a social function, it makes itself independent of all the use-values which are at the basis of its formation, because all use-values are equivalent to money. But this movement had a limit, linked to the very nature of circulation: money negates its social character whenever it must be exchanged with a particular commodity.

For capital, circulation by means of competition allows the transformation of value into production prices. It is the means by which capital achieves autonomy with respect to the immediate process of production. It can operate in every sphere, and this provokes the levelling of the conditions of production inasmuch as, in the end, two capitals of the same size, even when they have different organic compositions, have the same rate of profit. This happens solely because capital has become social, and is no longer merely one element in society alongside landed property, for example, or handicrafts. Immediate labour time no longer determines value directly. In other words, capital is its own general equivalent. Each quantum of capital is

reflected in social capital; the latter determines the amount of growth of the former. All individual capitals are relative to social capital. This is how the law of value appears in the capitalist system.

Capital dominates the law of value, and the equalization of the rates of profit becomes a presupposition of capitalist production:

"Hence capital appears as capital, as presupposed value relating to itself through the mediation of its own process as posited, produced value, and the value posited by it is called *profit*. (*Grundrisse* p. 762)

So capital exercises an absolute domination over society, and tends to become society: the final stage in the development of its social character. The opposition is no longer between capital and previous modes of production, but between a fraction of capital and capital itself, the presupposition of the production and circulation processes.

"Capital arrives at this equalization to a greater or lesser extent, according to how advanced capitalist development is in a given national society: i.e. the more the conditions in the country in question are adapted to the capitalist mode of production. As capitalist production advances, so also do its requirements become more extensive, and it subjects all the social preconditions that frame the production process to its specific character and immanent laws." (*Capital* III pp. 297-8)

In other words, capital becomes its own measure, just as gold was the measure of all commodity values. This, once again, expresses its autonomization and magic. This is why capital is the last mode of production based on value, for it is the form where value constitutes itself as society. Engels explains this in the 'Preface' to *Capital* Volume III, and Marx shows it in a clear fashion in the *Grundrisse*.

"The exchange of living labour for objectified labour - i.e. the positing of social labour in the form of the contradiction of capital and wage-labour is the ultimate development of the *value-relation* and of production resting on value." (*Grundrisse* p. 704)

Capital itself tends to negate value. For this to happen, the proletariat must be completely subsumed, otherwise the domination of the law of value would be meaningless.

"From what has been said so far, we can see that each individual capitalist, just like the totality of all capitalists in each particular sphere of production, participates in the exploitation of the total working class by the totality of capital, and in the level of this exploitation; not just in terms of general class sympathy, but in a direct economic sense, since, taking all other circumstances as given, including the value of the total constant capital advanced, the average rate of profit depends on the level of exploitation of labour as a whole by capital as a whole." (*Capital* III pp. 298-9)

Finally, in the study of the relation between the rate of surplus-value and the rate of profit, Marx explains the relation between valorization and devalorization. He gives a mathematical formula:  $\frac{v}{s} = \frac{v}{k}$ . Here  $\frac{v}{k}$  is the relation between the quantity of living labour employed in a production process and the mass of objectified value (advanced capital) which it can set in motion it could also be called valorization of capital: or, more exactly, potential valorization in its form at the beginning of the production process, before valorization actually takes place. Realized valorization would be  $\frac{s}{k}$ , i.e. the relation of surplus-value to advanced capital (rate of profit). This shows what really has been extorted by a given capital. Finally, if one analyses the question at a social level, it is clear that this valorization will be expressed by  $\frac{v}{k}$ ; profit is now determined by the mechanism of competition between particular capitals.

"In fact the ratio  $\frac{s}{k}$  expresses the degree of valorization of the whole capital advanced; i.e. viewed in accordance with the conceptual, inner connection and the actual nature of surplus-

value, it shows how the variation of the variable capital is related in magnitude to the total capital advanced. (*Capital* III pp. 136-7)

But, at the same time, Marx indicates the latter's devalorization because, historically, constant capital tends to grow massively compared to variable capital. So  $v/k$  tends to diminish. This causes the tendency of which we have already spoken, which is to lessen the quantity of the value advanced, above all in the form of constant capital: i.e. devalorization. If a large amount of value is fixed in the form of  $k$ , evidently  $\Pi'$  diminishes (so fixation = devalorization). A fraction of  $k$  must be liberated (thus devalorized) to permit a larger valorization.

In a different form, the formula becomes:  $\Pi' = s' \cdot \frac{v}{k}$

which shows that to have an increase in the rate of profit, when the advanced capital increases enormously, the rate of surplus-value must also increase considerably, i.e. the exploitation of the proletariat is always increasing. Parallel to devalorization, there is a diminution of the paid labour embodied in commodities. It is the other aspect of the devalorization we saw in the *Results*. This formula implies the socialization of production in the forms we previously analysed, and, finally, the tendential fall in the rate of profit, which we shall study now.

#### c) Law of the tendential fall of the rate of profit

Capital's domination is absolute at the historical stage where this law is manifested. We saw how it came to control fixed capital and to control the simultaneous forms (as circulating capital in its co-existing aspect).

"Thus, the specific mode of working here appears directly as becoming transferred from the worker to capital in the form of the machine, and his own labour capacity devalorized by this transposition. Hence the workers' struggle against machinery. What was the worker's activity becomes the activity of the machine." (*Grundrisse* p. 704.)

Capital dominates labour, the creator of exchange-value. Everything happens as though it were capital, and not labour, the causes the increase in value.

The law is formulated thus:

"Since the mass of living labour applied continuously declines in relation to the mass of objectified labour that it sets in motion, i.e. the productively consumed means of production, the part of this living labour that is unpaid and objectified in surplus-value must also stand in an ever decreasing ratio to the value of the total capital applied. But this ratio between the mass of surplus-value and the total capital applied in fact constitutes the rate of profit, which must therefore steadily fall." (*Capital* III p. 319)

It sums up all the contradictions of the capitalist system analysed above. It implies others, which are linked to the struggle against the tendential fall, and to the efforts made to limit its consequences: so one must now see the movement of autonomization and expropriation and. "discover and present the concrete forms which grow out of the *process of capital's movement considered as a whole*. (ibid. p. 117) Basically, this comes down to analysing the consequences of the law of production prices, i.e. the consequences of the domination of value by capital.

#### 6) *Consequences of the law of production prices. Consequences of the domination of the law of value by capital.*

##### a) Expropriation

On the one hand, expropriation is no longer effected at the expense of the workers; on the other hand, it no longer operates on the same elements. The worker can no longer be separated from his means of production. Expropriation, then, takes place at someone else's expense - the capitalist's.

"It is in fact this divorce between the conditions of labour on the one hand and the producers on the other that forms the concept of capital, as this arises with primitive accumulation (Volume I, Part Eight), subsequently appearing as a constant process in the accumulation and concentration of capital, before it is finally expressed here as the centralization of capitals already existing in a few hands, and the decapitalization of many (expropriation here undergoes changes). This process would entail the rapid breakdown of capitalist production, if counter-acting tendencies were not constantly at work alongside this centripetal force, in the direction of decentralization." (ibid. pp. 344-5)

"Expropriation now extends from the immediate producers to the small and medium capitalists themselves. Expropriation is the starting-point of the capitalist mode of production, whose goal is to carry it through to completion, and even in the last instance to expropriate all individuals from the means of production - which, with the development of social production, cease to be means and products of private production, and can only remain means of production in the hands of the associated producers as their social property, just as they are their social product." (ibid. p. 571)

The concentration of capital corresponds to the ever greater socialization of production. This means that capitalism generates communism just as the feudal mode of production generated capitalism. It therefore creates its own negation. Consequently, it can only guarantee its own survival by destroying this antagonism: hence decentralization, privatization and liberation of parcels of capital which are, so to speak, severed from the fixed capital by the development of the mode of production. This is again devalorization with the intention of positing a new valorization.

## b) Autonomization

### Capital Interest

In its purest form as money-capital, finance capital, capital presents the same double nature as the commodity: use-value and exchange-value:

"On the basis of capitalist production, money - taken here as the independent expression of a sum of value, whether this actually exists in money or in commodities - can be transformed into capital, and through this transformation is turned from a given, fixed value into a selfvalorizing value capable of increasing itself. It produces profit, i.e. it enables the capitalist to extract and appropriate for himself a certain quantum of unpaid labour, surplus product and surplus-value. In this way the money receives, besides the use-value which it possesses as money, an additional use-value, namely the ability to function as capital. Its use-value here consists precisely in the profit that it produces when transformed into capital. In this capacity of potential capital, as a means to the production of profit, it becomes a commodity, but a commodity *sui generis*. Or what comes to the same thing, capital as capital becomes a commodity." (*Capital* III pp. 459-60)

If the capitalist hands over this commodity to another who uses it, the latter pays a determined sum to the former when he has finished using it, an interest over and above the commodity itself which he has to return. Interest, therefore, pays for the use of capital, representing:

"The use-value of money lent out in its capacity to function as capital and a such to produce the average profit under average conditions." (ibid. p. 474)



The use-value of this capital is shown by the fact that it allows the process of valorization. We can see the extent to which capital has become autonomous:

"The antithetical determination of material wealth - its antithesis to labour as wage-labour is already expressed in capital ownership as such, quite apart from the production process. This one moment, then, separated from the capitalist production process itself, whose constant result it is, and as whose constant result it is also its presupposition, is expressed in this way: that money, and likewise commodities, are in themselves latent, potential capital, i.e. can be sold as capital; in this form they give control of the labour of others, give a claim to the appropriation of others' labour, and are therefore self-valorizing value. It also emerges very clearly here how this relationship is the title to, and the means to the appropriation of the labour of others, and not any kind of labour that the capitalist is supposed to offer as an equivalent." (ibid. p. 477)

The limit to this autonomy can only be labour-power, in the sense that capital can never suppress its dependence on it. However, one is no longer dealing with individual labourpower (we saw how, at this stage of development, this no longer exists) but with social labour-power, i.e. the proletariat, unified by capitalism itself, even if it superficially appears to be divided among parties of various shades, and by reformist trade-unions which seek to split it, or to maintain this split as a basis of their business. This unity, constantly sought by the proletariat to destroy the autonomization of capital, must be prevented. Here again, communism is the prisoner of capitalism. When capitalism reaches its maximum development, communism is the enemy it must mystify. But let us return to the characteristics of this autonomy:

1) The apparent ability to create surplus-value:

"As the growing process is to trees, so generating money (*TOKOS*) appears innate in capital in its form of money-capital." (ibid. p. 517)

2) Capital is its own measure:

"It is a *relation* of quantities, the ratio between the principal as a given value, and itself as self-valorizing value, as a principal that has produced a surplus-value." (ibid. p. 515)<sup>[9]</sup>

Exchange-value that has attained autonomy is capital itself tending to autonomy: and it can only do so by liberating itself from the exchange with the use-value which accompanies its birth. Here autonomized capital is exchanged, or bought, only for its use-value, i.e. for its ability to enter the immediate process of production and to come out of it valorized. One could say, making an analogy with labour-power, that it is bought for its production-power.

"What in fact *is sold* is its use-value, whose function in this case is to produce exchange-value, to yield profit, to produce more value than it itself contains." (TSV III p. 458)

And yet <sup>[9]</sup> we know how this is possible, it is because during the process dead labour is exchanged with living labour. Thus capital evidently encounters a limit to its autonomization; it cannot liberate itself from the immediate process of production where it comes up against its antagonist, living labour. Capital is thus a production power only to the extent that it succeeds in obtaining labour-power.

*Credit*

Capital seems able to escape this limit (like the effects of the tendential fall of the rate of profit) only by developing the form of credit by means of share capital and fictitious capital. Credit is the most important creation of the capitalist system; it is due to credit that the autonomization of value becomes a social reality.



"This also disposes of the pointless question of whether capitalist production on its present scale would be possible without credit (even considered from *this* standpoint alone), i.e. with a merely metallic circulation. It would clearly not be possible. It would come up against the limits of precious metal production." (*Capital* II p. 420) <sup>[10]</sup>

#### What is the role of credit in capitalist production?

I. Its necessary formation to bring about the equalization of the profit rate or the movement of this equalization, on which the whole of capitalist production depends.

II. The reduction of circulation costs,

III. Formation of joint-stock companies." (*Capital* III pp. 566-7)

'Credit offers the individual capitalist, or the person who can pass as a capitalist, an absolute command over the capital and property of others, within certain limits, and., through this, command over other people's labour. It is disposal over social capital, rather than his own, that gives him command over social labour. The actual capital that someone possesses, or is taken to possess by. public opinion, now becomes simply the basis for a superstructure of credit." (*Capital* III p. 570)

"The credit system hence accelerates the material development of the productive forces and the creation of the world market, which it is the historical task of the capitalist mode of production to bring to a certain level of development, as material foundations for the new form of production." (ibid. p. 572)

#### What is this formation of fictitious capital?

"The formation of fictitious capital is known as capitalization. Any regular periodic income can be capitalized by reckoning it up, on the basis of the average rate of interest, as the sum that a capital lent out at this interest rate would yield. For example, if the annual income in question is £100 and the rate of interest 5%, then £100 is the annual interest on £2,000, and this £2,000 is taken as the capital value of the legal ownership title to this £100. For the person who buys this ownership title, the annual £100 does actually represent the conversion of the capital he has invested into interest, at ' In this way, all connection with the actual process of capital's valorization is lost, right down to the last trace, confirming the notion that capital is automatically valorized by its own powers." (ibid. p. 597)

#### Here the cycle comes to an end:

"If capital originally appeared on the surface of circulation as the capital fetish, valuecreating value, so it now presents itself once again in the figure of interest-bearing capital as its most estranged and peculiar form." (ibid. p. 968)

"The incomprehensible superficial form we encounter and which has therefore constituted the starting-point of our analysis, is found again as the result of the process in which the form of capital is gradually more and more estranged and rendered independent of its inner substance.

"We started with money as the converted form of the commodity. What we arrive at is *money as the converted form of capital*, just as we have perceived that the commodity is the precondition and the result of the production process of capital." (TSV III p. 166)

We saw that Marx explains that capital is apparently a "fluens which posits a fluxion" in the *Results* That is to say that it is a quantity  $x$  which can be transformed into  $x + \Delta x$ . Marx made clear what is hidden under this appearance and what are the conditions for the realization of such a transformation: the labour process

and the valorization process; and finally how capital's own movement creates this appearance. What is said in the *Results* finds its final development here. The apparent phenomenon is not an illusion, but corresponds to reality. It was vital to list the conditions necessary for the manifestation of this reality, so we can grasp the unity of Marx's theory and its extraordinary cohesion. Various developments appear as simple digressions, but this is only because the author did not have time to finish his work, which he himself considered as a whole:

"As far as regards my work, I'll tell you clearly what there is of it. There are still three chapters to be written to finish the theoretical part (the first three volumes of *Capital*). Then there will be the fourth volume, the historical-literary volume, which will be relatively easy for me. whatever the defects they may have, their good point is that they constitute an artistic whole, and this can only be attained with my system of not publishing them until I have them completed in front of me." (Marx to Engels, 31. 7.1865 in MEW B. 31 p. 132)

One man's lifetime was not enough to present that whole of the work. It appeared as a product of the species: already generations of marxists have devoted themselves to developing it in its totality.

### 7) *Eternity of capital. Destruction of values to guarantee value in process, capital*

Once this autonomy has been achieved, capital aspires to eternity, to imperishability, as was discussed in the *Urtext* (page 938). The trinity formula: capital-profit (profit of the entrepreneur plus interest), land-rent, labour-wages, is merely the vulgar expression of this autonomization. The bourgeoisie and their theoreticians were similarly led to identify their transitory form of society with society in its becoming, having before their eyes autonomized capital positing itself as absolute.

"Their social character in the capitalist production process, determined by a particular historical epoch, is an innate material character natural to them, and eternally so, as it were, as elements of the production process." (Capital III p. 964)

#### a) Crises

One of the tasks of production as a whole is therefore to guarantee this autonomy:

"It is the foundation of capitalist production that money confronts commodities as an autonomous form of value, or that exchange-value must obtain an autonomous form in money, and this is possible only if one particular commodity becomes the material in whose value all other commodities are measured, this thereby becoming the universal commodity, the commodity *par excellence* in contrast to all other commodities. (This was shown both in the *Urtext* and in the *Contribution* - ed.) This must show itself in two ways, particularly in developed capitalist countries, which replace money to a large extent either by credit operations or by credit money. In times of pressure, when credit contracts or dries up altogether, money suddenly confronts commodities absolutely and the only means of payment and the true existence of value. Hence the general devalorization of commodities and the difficulty or even impossibility of transforming them into money, i.e. into their own purely fantastic form. Secondly, however, credit money is itself only money in so far as it absolutely represents real money to the sum of its nominal value. With the drain of gold, its convertibility into money becomes problematic, i.e. its identity with actual gold. Hence we get forcible measures, putting up the rate of interest, etc. in order to guarantee the conditions of this convertibility. This can be more or less intensified by erroneous legislation based on incorrect theories of money and enforced on the nation in the interest of money-dealers such as Overstone and company. But the basis for it is provided by the basis of the mode of production itself. A devalorization of credit money (not to speak of a complete loss of its monetary character (*Entgeldung*) which is in any case purely imaginary) would destroy all the existing relationships. The value of commodities is thus sacrificed, in order to ensure the fantastic and autonomous existence of this value in money. In any event, a money value is only guaranteed as long as money itself is guaranteed. This is why many millions worth of

commodities have to be sacrificed for a few millions in money. This is unavoidable in capitalist production, and forms one of its particular charms," (ibid. pp. 648-9)

We saw previously that capital, to ensure its valorization, tended to limit its own geographical development, and, that only the class struggle on an international scale forced it to develop over a wider area. The fundamental element of this coercion was the proletariat, which appeared as the real limit to the autonomization of value capital. We have just seen the objective aspect to this crisis; now we can see the subjective side, that of the producers:

"It is simply the needs of the capitalist mode of production, moreover, that lead the number of wage-labourers to increase absolutely, despite this relative decline. As far as this mode of production is concerned, labour-power is superfluous the moment it is no longer necessary to occupy it for 12 to 15 hours par day. A development in the productive forces that would reduce the absolute number of workers, and actually enable the whole nation to accomplish its entire production in a shorter period of time would produce a revolution, since it would put the majority of the population out of action<sup>[1]</sup>. Here we have once again the characteristic barrier to capitalist production, and we see how this is in no way an absolute form of the development of the productive forces and the creation of wealth, but rather comes into conflict with this at a certain point in its development. One aspect of this conflict is presented by the periodic crises that arise when one or another section of the working population is made superfluous in its old employment. The barrier to capitalist production is the surplus time of the workers. The absolute spare time that the society gains is immaterial to capitalist production. The development of productivity is only important to it in so far as it increases the surplus-labour time of the working class and does not just reduce the labourtime needed for material production in general; in this way it moves in a contradiction," (*Capital* III pp. 372-3)

There are vain attempts to soften these limits, but during crises they assume an insurmountable character.

"...with the development of the credit system, capitalist production constantly strives to overcome this metallic barrier, which is both a material and an imaginary barrier to wealth and its movement, while time and again breaking its head on it." (ibid. p. 708)

All fictitious capital collapses during the crisis. This shows that capitalist production has not been able to eliminate the law of the tendency of the rate of profit to fall, or, what is the same thing, the crisis is only a catastrophic means to overcome this contradiction. It has managed to dominate the law on the basis on which it developed (the law of value), but it cannot become the master of the law that rules it. This is why the tendential fall in the rate of profit is here:

"in every respect the most important law of modern political economy, and the most essential for understanding the most difficult relations. It is the most important law from the historical standpoint. It is a law which, despite its simplicity, has never before been grasped, much less consciously articulated." (*Grundrisse* p. 748)

## b) Wars

The transitory nature of the capitalist mode of production, which was masked by its development in times of prosperity, and which the bourgeois economists -tried to deny, singing psalms to the eternity of capital, is revealed by the crisis:

"Hence it is evident that the material productive power already present, already worked out, existing in the form of fixed capital, as scientific power, together with the population etc., in short all conditions of wealth, that the greatest conditions for the reproduction of wealth, i.e. the abundant development of the social individual - that the development of the productive forces brought about by the historical development of capital itself, when it reaches a certain point, suspends (*aufhebt*) the self-valorization of capital, instead of positing it. Beyond a

certain point, the development of the powers of production becomes a barrier for capital; hence the capital relation a barrier for the development of the productive powers of labour. When it has reached this point, capital, i.e. wage-labour, enters into the same relationship towards the development of social wealth and of the forces of production as the guild system, serfdom, slavery, and is necessarily stripped off as a fetter. The last form of servitude assumed by human activity, that of wage-labour on one hand, capital on the other, is thereby cast off like a skin; and this casting off (*Abhäutung*) itself is the result of the mode of production corresponding to capital; the material, and mental conditions of wage labour and of capital, themselves already the negation of earlier forms of unfree social production, are themselves results of its production process. The growing incompatibility between the productive development of society and its hitherto existing relations of production expresses itself in bitter contradictions, crises, spasms. The violent destruction of capital not by relations external to it, but rather as a condition of its self-preservation (as was explained above - ed.), is the most striking form in which advice is given to it to be gone and to make room for a higher state of social production. It is not only the growth of scientific power, but the measure in which it is already posited as fixed capital, the scope and width in which it is realized and has conquered the totality of production. It is, likewise, the development of the population etc., in short, of all moments of production; in that the productive power of labour, like the application of machinery, is related to the population; whose growth in and for itself is already the presupposition as well as the result of the growth of the use-values to be reproduced and hence also to be consumed<sup>[13]</sup>.

"Since this decline of profit signifies the same as the decrease of immediate labour relative to the size of the objective labour which it reproduces and newly posits, capital will attempt every means of checking the smallness of the relation of living labour to the size of the capital generally, hence also of the surplus-value, if expressed as profit<sup>[14]</sup>, relative to the presupposed capital, by reducing the allotment made to necessary labour and by still more expanding the quantity of surplus-labour with regard to the whole labour employed. Hence the highest development of the productive power together with the greatest expansion of existing wealth will coincide with depreciation of capital, degradation of the labourer, and a most straitened exhaustion of his vital powers. These contradictions lead to explosions, cataclysms, crises, in which by momentaneous suspension of labour and annihilation of a great portion of capital (a description of the wars of 1914-18 and 1939-45, and the crisis of 1929 - ed.) the latter is violently reduced to the point where it can go on. These contradictions of course lead to explosions, crises, in which momentary suspension of all labour and the annihilation of a great part of the capital. violently lead it back to a point where it is enabled to go on fully employing its productive powers without committing suicide. (This sentence was written by Marx in German, the previous one in English, hence the repetition-ed.) Yet these regularly recurring catastrophes lead to their repetition on a higher scale, and finally to its violent overthrow (1975 ed.). There are moments in the developed movement of capital which delay this movement other than by crises; such as e.g. the constant devalorization of a part of the existing capital; the transformation of a great part of capital into fixed capita.]. which does not serve as agency of direct production; unproductive waste of a great portion of capital etc." (*Grundrisse* pp. 749-50)

Here then is the most crying contradiction of the capitalist mode of production there can be no valorization except through destruction and waste of existing value. We have already noted this characteristic of capitalism<sup>[15]</sup>, showing that while originally it lessens social waste, later, when it reaches its senile phase, it raises it to -a level never before reached. Further, this waste indicates the necessity of communism, its actual existence already present inside society.

Marx explains this more concisely in *Capital* Volume III, Chapter 15, 'Development of the Law's Internal Contradictions':

"To express this contradiction in the most general terms, it consists in the fact that the capitalist mode of production tends towards an absolute development of the productive forces irrespective of the value and the surplus-value that this contains, and even irrespective of the

social relations within which capitalist production takes place; while on the other hand its purpose is to maintain the existing capital value and to valorize it to the utmost extent possible (i.e. an ever accelerated increase in this value). In its specific character it is directed towards using the existing capital value as a means for the greatest possible valorization of this value. The methods through which it attains this end involve a decline in the profit rate, the devalorization of the existing capital and the development of the productive forces of labour at the cost of the productive forces already produced." (ibid. Pp- 357-8)

Marx expresses this in the same terms as in the *Urtext* and in the *Results*; the central point is clearly the contradictions implicit in the valorization of capital, value in process. Here we shall indicate only the consequences of the movement of the autonomization of value whose final stage is capital. The contradiction between valorization and devalorization would require deep study, here we can only give the main outlines that are indispensable for our argument. The data can be traced in all the works, but it is best studied in the *Grundrisse*. Nevertheless, some passages in *Capital* clarify the final point reached by the development of value.

The *true barrier* to capitalist production is *capital itself*. It is that capital and its selfvalorization appear as the starting and finishing point, as the motive and the purpose of production; production is production only for capital and not the reverse, i.e. the means of production are not simply means for a steadily expanding pattern of life for the *society* of the producers. The barriers within which the maintenance and valorization of the capital value has necessarily to move - and this in turn depends on the dispossession and impoverishment of the great mass of the producers - therefore come constantly into contradiction with the methods of production that capital must apply to its purpose and which set its course towards an unlimited expansion of production, to production as an end in itself, to an unrestricted development of the social productive powers of labour. The means the unrestricted development of the forces of social production - comes into persistent conflict with the restricted end, the valorization of the existing capital." (*Capital* III pp. 358-9)

This is the objective aspect of the autonomized phenomenon - capital. But, as we saw, its valorization can only take place if there is exchange between dead and living labour. Hence we can analyse the same phenomenon, but from the subjective point of view, the point of view that allows valorization - the proletariat.

The value of a commodity is determined by the total labour-time contained in it, both past and living. The rise in labour productivity consists precisely in the fact that the share of living labour is reduced and that of past labour increased, but in such a way that the total sum of labour contained in the commodity declines; in other words the living labour declines by more than the past labour increases. The past labour embodied in the value of a commodity - the constant portion of capital - consists partly of the wear and tear of the fixed capital and partly of the circulating constant capital that goes completely into the commodity: raw and ancillary materials." (ibid. p. 369)

This is why we can say that the real limit to capital is the proletariat. Capital seeks to free itself from the proletariat, subsuming it under its power, immeasurably developing the productivity of labour, which means the increase of the power of dead, past labour, resulting in the vertiginous fall in the amount of living labour incorporated in the production process. But the more capital grows with large-scale production, and so tries to cut the ties of dependence to the antagonist, the more it prepares for the moment of violence when its direct link, the dependence on labour, will be confirmed. This is the crisis mentioned in the above citation from the *Grundrisse*. Here there is a readjustment of the economy. Shares and gold, signs of property of the labour of others<sup>[16]</sup>, become guarantees for the new appropriations of unpaid labour, for capital cannot emancipate itself from wage-labour, which was one of the conditions essential for its birth. But it would mean a negation of capital if, at a certain moment, the proletariat could acquire on the market the means of subsistence necessary for life without needing the mediation of money. Capital cannot free itself from this restricted base, i.e. private property, which is the appropriation of the labour, more exactly, of the unpaid labour of others. The law of the tendential fall of the rate of profit expresses the

tendency of capital to overcome its own limits and, therefore, to gain full autonomy, but, at the same time, its historical limits make it a transitory mode of production. It has managed to dominate the law of value, but it cannot destroy it.

8) *Eternity of capital and the autonomization of the forms derived from value*

Thus we have reached the end of the historical cycle of the autonomization of exchange-value. The first stage was money (the movement was effected vis-a-vis use-value); the second was capital, where the movement was effected at the expense of exchange-value; the third is the autonomy of capital itself (value is transformed into production price); from this one passes to the fourth stage in which the products of capital, the various forms of surplus-value, appear autonomous profit, interest, rent. Capital now does nothing but presuppose these elements, which clearly shows that it has attained domination over society. Society has become capital. This transformation is accompanied by the following fundamental inversion: wage-labour (purchase and sale of labour-power) no longer appears as a precondition but, it too, as a result. Thus capital-value is expressed by the sum of its different products wages + profit + rent. It is capital's trinity formula. We have already shown it to be false, its demagogic and anti-proletarian character. Capital is value in process, but the above formula makes it into a sum of values. If one is not clear about the growth of  $k$  into  $k + \Delta k$ , value in process cannot be understood. But it has the useful aspect - useful for the capitalist of masking the contradictions in the production process.

The economists are only interested in interpreting:

"the assertion of their autonomy vis-a-vis each other by the various relations of production which are bound up with the different material elements of the production process." (ibid. p. 968)

They work on the level of appearances because:

"The determined shape in which the value components confront one another is presupposed because it is constantly reproduced because it is constantly presupposed." (ibid. p. 1012)

We are no longer dealing with forms of value but with forms of surplus-value. The need for social peace causes wages to be assimilated with profit and rent, which are all presented as revenue. The formula value = wages + profit + rent is a useful means of explaining a given fact, something that has already been produced, that is, the value added by labour-power during the production process. It is just this that interests the bourgeoisie and their acolytes, the economists. Next, how will this value be divided? Who has the right to appropriate the added value  $A = v + s$ ? By simply showing that this is resolved automatically - wages go to workers, profits to capitalists, rent to landlords - thereby masking the fundamental relationship proletariat - capital. Further, they refuse to see that it is because capital is equal to the totality of the means of production (fixed capital) that the division is made while constantly tending to reduce wages in relation to surplus-value. The economists hide the following reality: capital has appropriated the means of production and must perpetuate itself as capital, therefore valorize to the maximum (or at least conserve its value). If the value were to disappear, so likewise would capital. The necessary material elements of the production process (c) must therefore be utilized and their value conserved. It is this value which - through the exchange with living labour (variable capital) - enabled the appearance of A, added value. Here c returns automatically to capital. This phenomenon, which does not give rise to any division, made the economists make errors:

"The basic relationship of constant and variable capital is not understood, and so neither is the nature of surplus-value and with it the entire basis of the capitalist mode of production. The value of each partial product of capital, each individual commodity, includes a portion of value constant capital, a portion of value = variable capital (which is transformed into wages for the worker) and a portion of value = surplus-value (later separated into profit and rent). How then is it possible for the worker with his wages, the capitalist with his profit, and the landowner with his rent, to buy commodities that contain not only one of these components,



but all three, and how is it possible for the value sum of wages, profit and rent, i.e. the three sources of income taken together, which are to buy the commodities which are to enter into the total consumption of the recipients of these incomes, to contain a further additional value component on top of these three, i.e. constant capital? How can a value of four be bought with a value of three?" (ibid. p. 982)

Basically, for the economists *c* (fixed or constant capital) has no importance from this point of view. So the capitalists can use as they see fit. They treat fixed capital - socialized value as they treat the earth, they exploit it without the slightest regard to future generations. The economists are interested in this social form *par excellence* only to the extent that it can have some influence on the creation of added value and, above all, on surplus-value in its mystified form of profit.

For the proletariat, on the contrary, the study of the relation between fixed (or constant) capital and added value is absolutely necessary. For by understanding the movement effected between these two elements one can throw light on the life of this impersonal being, capital, and thus reveal who the dictator really is, i.e. who decides the division. Similarly, the analysis finally recentres the phenomenon around labour (demystification).

However, the economists bring *c* back into play to justify profit, looking at things in the following way: the capitalist advances a certain value (wages, means of production etc.); it is normal that he recovers the value, plus the increment appearing in the course of the productive cycle, the famous value added. by labour. It is one of their theoretical contradictions inherent in their justification of capitalist production. Marx categorically refuted this theory in the *Results*, a theory now again in high fashion along with the corollary of an incomes-policy.

The trinity formula provides another proof that the present-day defenders of capital remain faithful to the method of vulgar economics in their superficial analysis of circulation. Also, thanks to this formula, they try to show that capitalist production is production for men, the problem then should. simply be reduced to finding a correct division of the value added by labour among all the "operatives", in other words, to a restitution of wages, profit and rent to each participant. Hence the need:

a) to present wages as income

b) to exclude the constant fraction from value.

But, as we have seen, this appears to be true, because *c* is not divided, it is capital's property. In other words, *c* is not an income, it is capital throughout - and this marks the point where capital posits itself as an autonomous force. So it cannot exist for men. For this reason, to mask private appropriation, the economists even go as far as to make this fundamental component of value disappear.

So, by making the true subject that controls, determines, presupposes the division disappear, it is possible to prove that capitalist production is for men. Presently this is completely realized. Fascism is generalized in all nations where capitalist production relations have developed. The state of capital is presented as guarantor of equitable division among everybody. Demands are no longer made in the name of a political ideal, but of a social one. The question of power is no longer posed, but instead a question of structures - these structures must be reformed to allow everyone to benefit from economic growth. **THIS IS SOCIAL-DEMOCRACY, WHICH IS THE FITTING RESOLUTION OF FASCISM.** These assertions cannot be developed in detail at this level of the analysis. For now it is enough to note that the various justifications of capitalist society that were refuted above derive from the autonomization and reification of social relations. But:

"It is crises that put an end to this apparent *autonomy* of the various elements into which the production process is continually dissolved and. which it continually reproduces." (TSV III p. 518)



### ***Note on the formal domination and the real domination of capital***

In the note on the immediate production process of capital, we noted that, contrary to what we stated in 1966, Marx speaks of formal domination of capital and formal subsumption of labour under capital, as well as real domination and subsumption, already in *Capital* Volume I, Part Three, Chapter 10 'The Working Day'. But it is only in Part Five, Chapter 16, 'Absolute and Relative Surplus Value' that Marx defines the two moments. (The passage does not appear entirely in Roy's French translation of *Capital*.)

"The prolongation of the working day beyond the point at which the worker would have produced an exact equivalent for the value of his labour-power, and the appropriation of that surplus-labour by capital - this is the process which constitutes the production of absolute surplus-value. It forms the general foundation of the capitalist system, and the starting point for the production of relative surplus-value. The latter presupposes that the working day is already divided into two parts, necessary labour and surplus labour. In order to prolong the surplus labour, the necessary labour is shortened by methods for producing the equivalent of the wage in a shorter time. The production of absolute surplus-value turns exclusively on the length of the working day, whereas the production of relative surplus-value completely revolutionizes the technical processes of labour and the groupings into which society is divided.

"It<sup>[17]</sup> therefore requires a specifically capitalist mode of production, a mode of production which, along with its methods, means and conditions, arises and develops spontaneously on the basis of the formal subsumption of labour under capital. This formal subsumption is then replaced by a real subsumption.

"It will be sufficient if we merely refer to certain hybrid forms<sup>[18]</sup>, in which although surplus labour is not extorted by direct compulsion from the producer, the producer has not yet become formally subordinate to capital. In these forms, capital has not yet acquired a direct control over the labour process. Alongside the independent producers, who carry on their handicrafts or their agriculture in the inherited, traditional way, there steps the usurer or the merchant with his usurer's capital or merchant's capital, which feeds on them like a parasite. The predominance of this form of exploitation in a society excludes the capitalist mode of production, although it may form the transition to capitalism, as in the later Middle ages. Finally, as in the case of modern 'domestic industry', certain hybrid forms are reproduced here and there against the background of large-scale industry, though their physiognomy is totally changed.

"A merely formal subsumption of labour under capital suffices for the production of absolute surplus-value. It is enough, for example, that handicraftsmen who previously worked on their own account, or as apprentices for a master, should become wage-labourers under the direct control of a capitalist. But we have seen how methods of producing relative surplus-value are, at the same time, methods of producing absolute surplus-value. Indeed the unrestricted prolongation of the working day turned out to be a very characteristic product of large-scale industry. The specifically capitalist mode of production ceases in general to be a mere means of producing relative surplus-value as soon as it has conquered an entire branch of production; this tendency is still more powerful when it has conquered all the important branches of production. It then becomes the universal, socially predominant form of the production process. It only continues to act as a special method of producing relative surplus-value in two respects first, in so far as it seizes upon industries previously only formally subordinate to capital, that is, in so far as it continues to proselytize, and second, in so far as the industries already taken over continue to be revolutionized by changes in the methods of production.

"From one standpoint the distinction between absolute and relative surplus-value appears to be illusory. Relative surplus-value is absolute, because it requires the absolute prolongation of

the working day beyond the labour-time necessary for the existence of the worker himself. Absolute surplus-value is relative, because it requires a development of the productivity of labour which will allow the necessary labour time to be restricted to a portion of the working day. But if we keep in mind, the movement of surplus-value, this semblance of identity vanishes. Once the capitalist mode of production has become the established and universal mode of production, the difference between absolute and relative surplus-value makes itself felt whenever there is a question of raising the rate of surplus-value. Assuming that labourpower is paid for at its value, we are confronted with this alternative: on the one hand, if the productivity of labour and its normal degree of intensity is given, the rate of surplus-value can be raised only by prolonging the working day in absolute terms; on the other hand, if the length of the working day is given, the rate of surplus-value can be raised only by a change in the relative magnitudes of the components of the working day, i.e. necessary labour and surplus labour, and if wages are not to fall below the value of labour-power, this change presupposes a change in either the productivity or the intensity of the labour." (*Capital* I pp. 645-6)

The establishment of this periodization is indissolubly linked to the study of

the immediate process of production. There is real domination of capital only

when the labour process has become the labour process for capital where man is no longer a determinant element, and this can only occur after a complete overthrow of the relation between man and nature, man and tool, man and instrument of labour etc.; thus the reversal (*Verkehrung*) of which we spoke in the note to the previous chapter.

After this chapter, Marx deals with wage-labour - the other pole of capital. Only with wage-labour is there capital, and only by being separated from their instruments of labour can men become proletarians. Wage-labour is the form that mediates the reconstitution of the unity of the means of production and man, without which production is impossible. Wage-labour is also the means used by capital for domesticating man, as is shown in *Capital* Volume I Part Seven, 'The Process of Accumulation of Capital'. This is shown clearly on pages 768, 776, 785, 789 and 896, while on page 900 we find the reappearance of the concept of formal subsumption:

"The class of wage-labourers, which arose in the latter half of the fourteenth century, formed then and in the following century only a very small part of the population, well protected in its position by the independent peasant proprietors in the countryside and by the organization of guilds in the towns, Masters and artisans were not separated by any great social distance either on the land or in the towns. The subordination of labour to capital was only formal, i.e. the mode of production itself had as yet no specifically capitalist character. The variable element in capital preponderated greatly over the constant element. The demand for wage-labour therefore grew rapidly with every accumulation of capital, while the supply only followed slowly behind. A large part of the national product which was later transformed into a fund for the accumulation of capital still entered at that time into the consumption-field of the workers." (*Capital* I p. 900)

This paragraph follows immediately after the one cited by us in the 'Remarks' of 1970, in which Marx presents the result of the triumph of capital - the domestication of the working class (cf. the final section of this book). Hence the importance of a precise knowledge of these modes of capital's domination for the study of the development of the classes and their struggles, especially regarding the working class. This simultaneously confirms our statement that the periodization according to these two modes of domination underpins the whole of capital.

Marx also shows in this section how the state facilitated the subsumption of labour under capital, even though it was the state of a society founded on another mode of production. So at the end of *Capital* Volume I we note that the worker is dominated by the labour-process that has become the (technological, scientific) process of capital. In Volumes II and III, how shows how capital cannot content itself with

dominating in the heart of the production process, but has to become master of the old circulation process and make it its own (e.g. the creation of credit); while that in turn imposes a change in the means of transport. The use of science requires a reorientation of education, even if this occurs rather late on. Capital can no longer content itself with the state as collaborator, it has to become a capitalist state, a capitalist enterprise. This means that capital must overthrow all social presuppositions and capitalize them all. This is what we stated in the preceding pages, emphasizing capital's real domination. We nevertheless omitted to specify that by doing so we extended Marx's range of concepts from the factory to the whole of society, basing ourselves in this matter on the whole of his work.

This implicit necessity to widen the range of the validity of the concepts of formal and real domination is resented by others, such as Dangeville. This can be seen from the sentence quoted in the note to the previous chapter, as well as in this one which comes a little before:

"That is to say that the ideological or political structures are not a simple reflection of the economy, but rather its complex prolongation in the spheres of activity (politics, military, administration, religion, education, judiciary), serving to maintain and to perpetuate bourgeois domination in all fields. It is in this sense that violence or the state is an economic agent (Engels)." (Dangeville op. cit. p. 56)

The whole movement of the accession of capital to real domination of society is skipped here because capital uses the state and "political society" as they exist on the basis of formal domination when the immediate process of production has yet to be supplanted and is masked by the circulation process. Thus there can in no way be a "reflection of the economy". It is capital which organizes all human activity in the final stage. Then it is just as absurd to speak of "complex prolongation" as of "reflection of the economy"; the state is no longer a simple economic agent. This skipping is entirely coherent with the rest of Dangeville's analysis of the *Results*

"Formal domination implies (better presupposes, since then it can only occur after - ed.) the breaking of the unity between producers and means of production, that is, the expropriation of artisans and smallholders. This unity will be re-established by capital in its real production process, on its conditions and to its gain." (ibid. p. 58)

What is the real process? Does it imply, presuppose, the existence of a formal process? Just like real subsumption presupposes formal subsumption? Marx, we saw, opposed the overall process of production to the immediate process of production, the former being the unity of the latter with the circulation process. But he showed that even in the immediate process of production, e.g. in co-operation, there is a reformation of the unity, which means that it is reformed by formal domination. If things had been otherwise, how could capital have developed?

In conclusion, may we note that we, like others, translate *Unterordnung* as subordination and *Subsumtion* as subsumption. *Subsumtion* means rather more than just submission. *Subsumieren* really means "to include in something", "to subordinate", "to implicate", so it seems that Marx wanted to indicate that capital makes its own substance out of labour, that capital incorporates labour inside itself and makes it into capital. This is completely coherent with what we said on the passage of the labour process into capital's labour process i.e. that capital takes on a bodily form, incarnates itself. It can only do this by appropriating labour-power to itself, and here, as in German, "to appropriate to itself" (*sich aneignen*) should be taken literally, in its strongest sense. In the period of formal domination, capital does not manage to subjugate, and thus to incorporate, labour-power, which remains outside it, rebels against it to the extent of putting in danger the development of the process, since capital depends on it completely. But the introduction of machinery transforms everything. Capital becomes the master of all the activity that the proletariat performs in the factory. Capital incorporates the human brain, appropriates it to itself, with the development of cybernetics; with computing, it creates its own language, on which human language must model itself etc.. Now it is not only the proletarians - those who produce surplus-value - who are subsumed under capital, but all men, the eater part of whom is proletarianized. It is the real domination over society, a domination in which all men

becomes the slaves of capital (= generalized slavery, and so convergence with the Asiatic mode of production).

Thus it is no longer merely labour, a defined and particular moment of human, activity, that is subsumed and incorporated into capital, but the whole life-process of man. Capital's process of incarnation (*Einverleibung*) which began in the West about five centuries ago, is complete. Capital is now the common being, oppressor of man.

(March 1972)

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1. The Asiatic mode of production is the result of the development of one of these forms.

2. Cf. the note at the end of this chapter.

3. It is the constant aim of capitalist production to produce a maximum of surplus-value or surplus-product with the minimum capital outlay..." (TSV II pp. 547-8)

4. "It is no longer the worker who employs the means of production, but the means of production which employ the worker." (*Capital I* p. 425)

5. We cannot translate *Stoffwechsel* as exchange (*Austausch*) as this implies too many purely economic determinations; *Stoffwechsel* implies the idea of the exchange of substance, of matter. In the text it concerns an exchange allowing the building of a being, its relation. That is why we have used the term organic exchange and the word metabolism to translate *Stoffwechsel* (Note of May 1972)

6. There is the same demonstration in the *Theories of Surplus Value* as in this chapter, and Marx concludes in the same way:

"It is no longer the labour expended on the individual peculiar \* commodity, in most cases, it can no longer be calculated, and may be greater in the case of one commodity than in that of another, but a proportional part of the total labour i.e. the average of the total value (divided) by the number of products - which determines the value of the individual product and establishes it as a commodity." TSV III p. 113 (\*) In English in the original-ed.

7. "The phenomenon arising from the nature of the capitalist mode of production, that the price of an individual commodity or a given portion of commodities falls with the growing productivity of labour, while the number of commodities rises; that the amount of profit on the individual commodity and the rate of profit on the sum of commodities falls, but the mass of profit on the total sum of commodities rises..." (*Capital III* p. 337)

8. Defining capital by profit supposes therefore that profit already dominates society. Something cannot be defined by its result.

9. There is something like a coalescence of the capital as the initial value with the valorized capital-value following the skipping (*escamotage*) of the process of production which mediates the relation of capital to profit engendered during this process. The relation of profit to capital is internalized:

"The value of £1,000 as capital is = £1,050. In other words, capital is not a simple (*einfache*) quantity. (*Capital III* p. 515)

Now capital really exists as capital. There can still be an externalization-manifestation of this capacity to acquire an increment of capital, a  $\Delta k$ . This happens when capital is lent, alienated to another capitalist. Hence the title of the chapter from which we have quoted: '*Veräusserlichung der Mehrwerts und des Kapitalverhältnisses überhaupt in der Form des zinstragenden Kapitals*' which is the complete title that Rubel p. cit. p. 1787) gives. There is an alienability (*Veräusserlichung*) of the capital relation and so too of surplus-value, since it is included in the mystified form of profit in the relation of capital, and it cannot develop without externalization. *Veräusserlichung* also expresses an idea of externalization in movement, in its becoming. Evidently, therefore, alienability can only be realized if something where human capacities - that can be objectified in a product or in an activity are externalized, that is, leave a given sphere. The existence of two complementary meanings is again found in the word *Veräusserung* alienation in the economic sense which supposes a divestment (*Entäusserung*) for one of the protagonists of the exchange (at least momentarily as there is no counter-party) and externalization which implies leaving a "sphere", for example: the commodity leaving the sphere of the property of an individual to enter that of another, or leaving the sphere of activity of one individual, that is the externalization of capacities. (Note of March 1972)

10. Capital only has exchange-value in view. It seems, then, there is a contradiction here. In fact it is the same during the analysis of the origin of capital. It can only be value in process if it meets its motor element: labour-power that can engender exchange-value. The latter is therefore clearly the determinant of the movement. In the case of interest-bearing capital, it is the same, in a mystified form.

11. "And credit as an essential, developed relation of production appears *historically* only in circulation based on capital or on wage labour. (*Money* itself is a form for suspending the unevenness of the times required in different branches of production, to the extent that this obstructs exchange.)" (*Grundrisse* p. 535)

12. This is what is now happening in the USA, in preparation for the big jolt of 1975. Since 1956 the number of workers has dropped below the number of those working in the tertiary sector.

13. It should be remembered that the *Grundrisse* is not a finished work, but a draft, with the different ideas expressed often merely juxtaposed and not rigorously co-ordinated. In these two sentences, Marx specifies and adds what is missing from the previous sentence where he notes the importance of scientific power and of population (cf. the beginning of the citation). Nor should one forget that all this appears concomitantly with the tendential fall in the rate of profit. (Note of May 1972)

14. This confirms what we said earlier on the relation  $v/k$ : valorization of capital.

15. Cf. *il programma comunista* no. 13, 1960, Bordiga analyses especially the relations between waste and the circulation process: in nos. 1 and 2 of 1962, the question is analysed in an overall manner by seeking to "establish all the components of capitalist waste and destruction of healthy productive forces, posing our programme as the polar opposite to the mad one that assigns to the proletariat the task of competing with its enemies for the lunatic management of the multiplication of the masses of products for false needs, which are execrable and inhuman, a system which has but the one goal of increasing the production of surplus-value, that is slavery and alienation of man himself, who will live as capital, market and money." Bordiga.

16. "In as much as we have so far considered the specific form of accumulation of money capital, and of money wealth in general, this reduces itself to the accumulation of proprietary claims to labour." (*Capital* III p. 607)

17. This is where the section missing in Roy's translation begins. The first paragraph has been included to enable a better understanding of the rest.

18. Cf. on this subject TSV I p. 389 ff. 'Productivity of capital, productive and unproductive labour'.

## Chapter 4: *Productive & unproductive labour*

(a) Productive and unproductive labour during the period of formal domination

(b) Gross and net product

(c) The middle classes: products of capital

(d) Theory of needs and free time

(e) Productive labour and the middle classes

(f) Productivity - Free time - Leisure

(g) Movement of capital - Fixation of people

- Note on wage-labour and function (1972)

We have seen that for there to be capital, there must also be an exchange of money with a particular use-value, a use-value whose content cannot be indifferent, i.e. labour-power. This is because the labour-power is consumed productively and generates surplus-value during the production process. So how does labour appear in the course of the different periods of the domination of capital? We must, therefore, deal with the question of productive and unproductive labour. Marx did this in *Capital* Volume I Part Five, which we have already discussed, where he simply gave a definition and stated that the concept of productive labour assumed a different significance when capital achieved full development (i.e. in the period of real domination, and this clearly shows that the periodization of the *Results* underlies the whole of *Capital* Volume I). The question was dealt with fully in the *Results* and in the *Theories of Surplus-Value* when he wrote about Adam Smith, his followers and opponents, who were the first to pose the problem. Lastly, there is an almost identical exposition to that of the *Results* in the 'Addenda' to Part One of the *Theories of Surplus-Value* entitled 'Productivity of Capital; Productive and Unproductive Labour'. Here we shall briefly indicate the essentials of the problem.

### ***A. Productive and Unproductive Labour During the Period of Formal Domination***

One should not be taken in by the wage-labour form. One is not a productive worker (for capital) simply by earning a wage. In fact, a worker is productive if:

"This labour *objectifies* itself immediately during the production process as a *fluid quantum of value*." (*Results* p. 1040)

It permits the valorization process, and thus the cycle M - C - M', to take place. Unproductive labour is a service, and what is important in this case is:

"*the particular use-value* of labour where the latter is useful not as an article, but as an activity." (ibid. p. 1047)

"...work-is consumed for its *use-value*, not as *creating exchange-value*." (*Results* p. 1041)

In other words on page 1047:

"The distinction between *productive* and *unproductive labour* depends merely on whether labour is exchanged for *money as money* or for *money as capital*."

"...with the growth of capitalist production all *services* become transformed into *wage-labour*, and those who perform them into *wage-labourers*..." (ibid. p. 1042)

This is because capital tends to subsume under itself all use-values and everything that existed for man becomes for capital. This is the period of the real domination of capital. There are two other characteristics of productive labour that derive from this:

1. "The statement that *productive labour* is labour that is *immediately* exchanged with *capital* embraces all these moments, and is only a derivative formula expressing the fact that it is *labour* which transforms money into capital, which is exchanged with the conditions of production as *capital* that therefore in its relationship with these conditions of production labour is not faced by them as simple conditions of production, nor does it face the conditions of production as *labour* in general that has no specific social determinedness." (TSV I p. 399)
2. "It can be said to be a characteristic of *productive labourers* that is, labourers producing capital, that their labour realizes itself in *commodities* (products of labour) in material wealth." (ibid. p. 410)

Finally, there are sectors of human activity where capitalism has not sunk its roots and, so, in which the notion of productive labour is meaningless. The exposition of the problem concludes in the *Results* as in the 'Addenda' to Part One of the *Theories of Surplus-Value*, with the same remark:

"Here we have been dealing only with *productive capital* that is, capital employed in the *immediate process of production*. We come later to capital in the *circulation process*. And only after that, in considering the special form assumed by capital as *merchant's capital*, can the question be answered as to how far the labourers employed by it are productive or unproductive." (TSV I p. 413)

So what becomes of labour when capital autonomizes itself, thus when it tends progressively to free itself from use-value, which was the foundation of its being, when it allows valorization: labour-power? To answer this question, we must first analyse the general tendency of capitalism vis-a-vis the proletarians. This Marx did in the *Results* under the heading 'Net and Gross Product'.

### ***B. Net and Gross Product***

One should remark that:

"The highest ideal of capitalist production - corresponding to the relative growth of the *produit net* (i.e. surplus-value - ed.) - is the greatest possible reduction of those living on wages (i.e. productive workers in this case - ed.), the greatest possible increase in those living of *produit net*." (*Results* pp. 1051-2)

This agrees perfectly with what was said about autonomization and devalorization. It simultaneously refutes all those who stated that the relative and even absolute fall in the number of proletarians (like in the USA, for example) would constitute a negation of Marxism. But what we have just cited is not an isolated, chance remark, because in *Theories of Surplus-Value* Part Two in the chapter 'Ricardo's Miscellanea', Marx drew the same conclusion analysing the contradictions of capital in its relation to labour:

"There are two tendencies which constantly cut across one another; (firstly) to employ as little labour as possible, in order to produce the same or a greater quantity of commodities, in order to produce the same or a greater net produce, surplus-value, net revenue; secondly to employ the largest possible number of workers (although as few as possible in proportion to the quantum of commodities produced by them), because - at a given level of productivity the mass of surplus-value and of surplus-product grows with the amount of labour employed." (TSV II p. 573)

Here then is the same statement as the one in the *Results* but here Marx adds:



"The one tendency throws the labourers on to the streets and makes a part of the population redundant, the other absorbs them again and extends wage-slavery absolutely, so that the lot of the worker is always fluctuating but he never escapes from it. The worker, therefore, justifiably regards the development of the productive power of his own labour as hostile to himself; the capitalist, on the other hand, always treats him as an element to be eliminated from production. These are the contradictions with which Ricardo struggles in this chapter. What he forgets to emphasize is the constantly growing number of the middle classes, those who stand between the workman, on the one hand, and the capitalist and the landlord on the other. The middle classes maintain themselves to an ever increasing extent directly out of revenue, they are a burden weighing heavily on the working base and increase the social security and power of the upper ten thousand." (ibid.)

Marx thus specifies the subject of the consumption of net revenue mentioned above. Now it is a question of determining what the middle classes are and how they consume surplus-value.

The middle classes - another stumbling block for opportunism. Not just their existence, but also their growth would be a demonstration of the falsity of Marxism. Marx would simply have stated that capitalist society should have aided in their disappearance and that there should be only capitalists and proletarians. Except that, as the two quotations above show, we are dealing with a tissue of lies and errors. It is best to seek to re-establish the real marxist statements on this.

a) Disappearance of the capitalist as person

Marx explained the disappearance from bourgeois society of some individuals who were its ruthless defenders: the individual capitalists:

"But since on the one hand the functioning capitalist confronts the mere owner of capital, the money capitalist, and with the development of credit this money capital itself assumes a social character, being concentrated in banks and loaned out by these, no longer by its direct proprietors; and since on the other hand the mere manager, who does not possess capital under any title neither by loan nor in any other way, takes care of all real functions that fall to the functioning capitalist as such, there remains only the functionary, and the capitalist vanishes from the production process as someone superfluous." (*Capital III* p. 512)

Increasingly people appear who are not characterized by a direct possession of capital, but who hold the right to expropriate the labour of others, an exploitation carried out by social capital. That is why they must manage production better so always to be in a position to have the possibility to appropriate a section of the surplus-value. We are dealing with what are called now, for example, technocrats.<sup>[1]</sup>

b) Which are the middle classes which are disappearing?

To answer this question, we have to refer to the formula indicating the movement of capital from M to M':

$$\begin{aligned}
 \overline{M \leftrightarrow C} &= \left\{ \begin{array}{ccc} v & \begin{array}{c} \nearrow \\ \searrow \end{array} & v + p \\ + & & + \\ \overline{C \leftrightarrow C} & & \overline{C \leftrightarrow C} \end{array} \right\} \\
 C^* &= \left\{ \begin{array}{ccc} \overline{C \leftrightarrow M} & & \\ + & & + \\ \overline{C \leftrightarrow m} & & \end{array} \right\} = M'
 \end{aligned}$$

and so see the characteristics of capitalism and its tendencies in relation to the subject that interest us here.

$$\overline{1.M \longleftrightarrow C (v)}$$

Capital presents itself at first, as the tendency to reduce the waste of labour time since it unites producers previously dispersed (co-operation). It also eliminates the merchant, who collected the producers' product to sell on the market. Capital incorporates commerce and so becomes commercial capital.

In agriculture, capital expropriates small-holders, who are replaced by wage-labourers working in large agricultural enterprises, or by tenant farmers, who exploit intensively a medium size farm. This expropriation certainly encounters many difficulties, but in any case there is an absolute diminution of the agricultural population.

$$\overline{2.C \longleftrightarrow M'}$$

Capital eliminates craftsmen as they compete with it, although this work can reappear on a capitalist basis as domestic work.

And, as was included in the first point, capital eliminates small shopkeepers *pari passu* with the concentration of retailing.

So the old middle classes, a residue of previous modes of production, are destroyed because they constituted an obstacle to the valorization of capital. The capitalist mode of production becomes purer and purer due to their elimination during its development. We have defined an index of the purity of capital on this basis (Cf. the Asti meeting).<sup>[2]</sup>

### ***C. The middle classes, products of capital***

Capitalism tends to replace workers by machines, so increasing the productivity of labour and, thus, the scale of production. Also every product comes to contain ever more surplus-value, unpaid labour. How can this be realized? This problem has been confused with the problem of the creation of surplus-value; hence Marx's remark in *Capital* Volume I:

"The consistent upholders of the illusion that surplus-value has its origin in a nominal rise of prices or in the privilege which the seller has of selling too dear assume therefore that there exists a class of buyers who do not sell i.e., a class of consumers who do not produce. The existence of *such a class is inexplicable* (our emphasis - ed.) from the standpoint we have so far reached, that of simple circulation." (*Capital* I p. 264)

So Marx states that it cannot occur on the basis of simple circulation, but not that it cannot occur at all. Also it does not have the role which the apologists would wish for it. It is, finally, a methodological consideration that will enable us to grasp the emergence of such a stratum of men.

"Consumption is also immediately production, just as in nature the consumption of the elements and chemical substances is the production of the plant." (*Grundrisse* p. 90)

Marx later indicates:

"Production is consumption, consumption is production. Consumptive production. Productive consumption. The political economists call both productive consumption. But then make a further distinction. The first figures as reproduction, the second as productive consumption. All investigations into the first concern productive or unproductive labour; investigations into the second concern productive or non-productive consumption." (ibid. p. 93)

We have analysed productive and unproductive labour (with the restriction indicated) and also productive consumption - the utilization of labour-power (and hence the role of the proletariat at a social level in the production process of capital); only unproductive consumption remains to be considered. The middle classes are its subject. The surplus-value existing in the form of commodities must be transformed into money, and so it must be consumed. Who can do this? Certainly not the capitalist, because in that case production would be for enjoyment, and so capital would not exist, as we have seen. Nor the proletariat, for if the proletariat consumed all the surplus-value, this would be a negation of wage-labour. There remains the possibility of a stratum of people who are unproductive consumers, and they must have just this character, because, if they produced anything at all, they would enter into competition with specifically capitalist production. So it can be seen that these classes can no longer correspond to the old social groups about which we spoke, since they must be bound to capital in the following way: they must enable the realization of capital's increment, the realization of surplus-value.

Marx deals with this problem in the *Theories of Surplus-Value* Part One, in the Section 'Overproduction, "Unproductive Consumers" etc.'. As in *Capital* Volume II, he envisages two sections: i) that producing the means of production, ii) that producing consumer goods. He also considers sub-sections, such as that which produces the means of production to manufacture luxury goods, and that which produces luxury goods.

Having analysed in detail the exchanges between these various sections, he writes:

"It is difficult to understand how any profit at all can be derived if those who engage in mutual exchange sell their commodities by overcharging one another at the same rate and cheat one another in the same proportion.

"This incongruity would be remedied in addition to exchange by one class of capitalists with its workers and the mutual exchange between the capitalists of the different classes, there also existed a *third class of purchasers - a deus ex machina* - a class which paid the nominal value of commodities without itself selling any commodities, without itself playing the same trick in return; this is a class which transacted one phase only: M - C, but not M - C - M; (a class) which bought not in order to get back its capital plus a profit, but in order to consume the commodities; a class which bought without selling. In this case the capitalists would realize a profit not by exchange among themselves but i) by exchange between them and the workers, by selling back to them a portion of the total product for the same amount of money they paid the workers for the total product (after deducting the constant capital) and 2) from the portion of luxuries as well as necessities sold to the third sort of purchaser. Since these pay 110 for 100 without selling 100 for 110 in their turn, a profit of 1 would be made in actual fact and not simply nominally. The profit would be made in the dual fashion by selling as little as possible of the total product back to the workers and as much as possible to the third class, who pay ready money, without themselves selling, but in order to consume.

"But buyers who are not at the same time sellers, must be consumers who are not at the same time producers, that is unproductive consumers and it is this class of *unproductive consumers* which, according to Malthus, solves the problem." (TSV III pp. 49-50)

This is the class Marx mentioned which can only appear when capital is really developed, and cannot do so on the basis of the simple commodity production, or they would be a class of parasites on capital, not a class allowing the realization of surplus-value. This is what we shall see.

Firstly Marx characterizes this class more precisely:

"But these unproductive consumers must, at the same time, be consumers able to pay, constituting real demand, and the value sum (*Wertsummen*) they possess and spend annually must, moreover, suffice to pay not only the production value of the commodities they buy and consume, but also the nominal profit surcharge the surplus-value, the difference between the market value and the production value. This class will represent consumption for consumption's sake in society in the same way as the capitalist class represents production for production's sake, the one representing the "passion for expenditure", the other the "passion for accumulation"." (ibid. p. 50)

Marx does not state at this stage of the demonstration that this class exists, that it actually has a role to play. He remains at the stage of refuting Malthus, because, as we said, this class can only be produced by capital, and cannot be hired to a previous mode of production. We only see the appearance of the need for it at the moment.

"On the one hand, therefore, (there is) the working class, which, according to the population principle, is always redundant in relation to the means of life available to it, overpopulation arising from under-production; then (there is) the capitalist class, which, as a result of this population principle, is always able to sell the workers' own product back to them at such prices that they can only obtain enough to keep body and soul together<sup>[3]</sup>; then (there is an enormous section of society consisting of parasites and gluttonous drones, some of them masters and some servants, who appropriate, partly under the title of rent and partly under political titles, a considerable mass of wealth gratis from the capitalist class, whose commodities they pay for above their value with money extracted from the same capitalists; the capitalist class, driven into production by the urge for accumulation, the economically unproductive sections representing prodigality, the mere urge for consumption." (ibid. p. 52)

So this is what Malthus wants! But a class of this kind, produced by the development of capital, a class which does not *fix* value (by taking rent, for example, those who constitute this class would end up by hindering capital's valorization movement; it is no accident for that matter that for this reason the capitalist fought against landed proprietors), but on the contrary allows its movement, facilitating for it its own metamorphosis from commodity to money; perhaps a class of this kind does exist in capitalist society? One approaches the solution to the problem when Marx draws a parallel between Ricardo and Malthus, making evident two complementary and contradictory aspects of capitalism (Marx at the same time indicates the concrete contribution of Malthus in the relevant discussion).

"For all that, Ricardo championed bourgeois production insofar as it (signified) the most unrestricted development of the social productive forces, unconcerned for the fate of those who participate in production, be they capitalists or workers. He insisted upon the *historical* justification and necessity of this stage of development. His very lack of historical sense of the past meant that he regarded everything from the historical standpoint of his time. Malthus also wishes to see the freest possible development of capitalist production, however only insofar as the condition of this development is the poverty of its main basis, the working classes, but at the same time he wants it to adapt itself to the "consumption needs" of the aristocracy and its branches in state and church (its class of unproductive consumers charged with reabsorbing overproduction - ed.), to serve as the material basis for the antiquated claims of the representatives of interest inherited from feudalism and the absolute monarchy. Malthus wants bourgeois production as long as it is not revolutionary, constitutes no historical moment of development but merely creates a broader and more comfortable material basis for the "old" society." (ibid. p. 52)

This then in his reactionary aspect. But to the extent that *he describes a real movement* he is important because this overproduction does exist and *the need for this class makes itself felt pari passu with the development of capitalism*. So growing over-production, denied by Ricardo, with the becoming of capital, creates a supernumerary class. It represents the subjective aspect of social waste which is objectively expressed by the existence of a huge quantity of useless commodities.

Marx adds:

"We have seen how childishly weak, trivial and meaningless Malthus is when, basing himself on the weak side of Adam Smith, he seeks to construct a counter-theory to Ricardo's theory, which is based on Adam Smith's stronger side. One can hardly find a more comical exertion of impotence than Malthus's book on value. However, as soon as he comes to practical conclusions, and thereby once again enters the field ... he is quite at his ease. For all that, he does not abandon his innate plagiarism even here." (ibid. p. 53)

Marx immediately proves this by citing and commenting on the works of Sismondi. All this is interesting as it shows that the problem does not originate recently, and that Marx, like his predecessors, attributed great importance to it. Thus Malthus examines correctly the consequences of the capitalist system, of the valorization process pushed always to the limit. If capital does not want value to be fixed and valorization impeded, it must realize an increase in the surface area of exchange on which the metamorphosis of value can be effected: for this it is necessary that the individuals who consume but do not produce multiply. For Malthus, this is an opportunity to defend the existence of a class linked to a previous mode of production. This is why he is reactionary. But once more this does not mean that the bases for such a class do not exist.

"(Malthus's) supreme hope, which he describes himself as more or less utopian, is that the mass of the middle class should grow and that of the proletariat (those who work) should constitute a constantly declining proportion (even though it increases absolutely) of the total population. This in fact is the *course* taken by bourgeois society." (ibid. p. 63)

Here Marx states the exact opposite of what his opponents would wish him to say: the growth of the middle classes. Only that the most delicate theoretical question was not so much of throwing light on the existence of the middle class, observation itself would allow its identification, as the explanation of its role in society.

The starting-point of the Malthus-Ricardo polemic was that of knowing if, in capitalist society, there could or could not be over-production. Malthus was of the opinion that there could be, and Marx agreed with him. However, over-production exists not because there is under-consumption, as many would have it, by the workers, in fact this under-consumption is already included in the characteristics of wage-labour (Cf. *Capital* Volume III, p. 358 & 363-4). Overproduction is determined by the fact that there is production for the sake of production, and not for the consumption of whoever it may be. Production is production of surplus-value. Commodities are only vectors of it and present no interest except inasmuch as they preserve this character in the total process of capital. But then, if one can speak of consumption, it is consumption by capital itself. This phenomenon appeared only feebly at the origin of capitalism, simply because the bases of the new society were not yet secure. For example, the development of fixed capital, which can absorb a large part of over-production, had scarcely started. But from the moment when fixed capital dominates society, overproduction becomes chronic and then poses the need for a class of men who consume without producing. However, it cannot be any sort of consumption, it must, on the contrary, prove useful for capital, and not, as Malthus wanted, merely satisfy a crowd of parasites linked with the old society. This will take place through the intermediary of wage-labour which is one of the bases of capitalism. But to understand what has been said, we need to specify the bases on which this class arises.

1. The middle classes, because they are situated between the proletariat and capital, constitute the living representation of social surplus-labour. This statement stems from the theoretical analysis of surplus-value:

"At a low stage of the development of the social productivity of labour, that is to say, where the surplus-labour is relatively small, the class of those who live on the labour of others will generally be small in relation to the number of labourers. It can considerably grow (proportionately) in the measure in which productivity and therefore relative surplus-value develop." (TSV II pp. 406-7)<sup>[4]</sup>

The more the social productive forces grow and the more relative surplus-value increases, therefore, the number of individuals that lives at its expense also rises. Because of capital's mystification, this stratum of men seems not to intervene *prima facie* in the capitalist mode of production.

2. The existence of these classes is linked to the diminution of necessary labour time, which expresses itself correspondingly in the fall in the number of producers. As we have seen, this has a contradictory aspect:

"Capital itself is the moving contradiction, (in) that it presses to reduce labour time to a minimum, while it posits labour time, on the other hand, as sole measure and source of wealth. Hence it diminishes labour time in the necessary form so as to increase it in the superfluous form; hence posits the superfluous in growing measure as a condition - question of life or death for the necessary." (*Grundrisse* p. 706)

The worker can only obtain his wages, i.e. the minimum required to maintain his physical existence, on the condition that he provides the maximum of surplus labour. Nevertheless, with the increasing reduction of labour time necessary for the production of the total product, capital creates disposable time. But it is evident, taken to the extreme, this would imply its own negation because, if there were no need for living labour, valorization would become impossible:

"But its tendency always, on the one hand, *to create disposable time, on the other, to convert it into surplus labour*. If it succeeds too well at the first, then it suffers from surplus production, and then necessary labour is interrupted, because *no surplus labour* can be valorized *by capital*. (ibid. p.708)

In other words, the tendency of capitalism is to reduce the proletarian to such dependence that the greatest part of his activity is realized in surplus labour. Despite this, capitalism still finds him superfluous. The worker is thrown out of production. Then it becomes necessary to find new productive branches for this liberated variable capital, not just to extract surplus-value from it, but also to stop it rebelling. Capital thus finds itself obliged to create artificial industries so as to be able to guarantee a production process.

"This pulling-away of the natural ground from under the foundations of every industry and this transfer of its conditions of production outside itself, into a general context - hence the transformation of what was previously superfluous into what is necessary, as a historically created necessity - is the tendency of capital." (ibid. p. 528)

It is thus that capital annexes an enormous number of productive branches, originally of luxury goods and falling beyond its control. Still, here too, the law of the reduction to the minimum of necessary labour time will proceed in step with the liberation of the workers. These are the elements which can be used by another important function of capital; in circulation.

3. Another base favouring the emergence of the middle class is provided by the increase in circulation time, and hence in the period for the realization of value. This presents itself in reality in two aspects: the increase in the number of commodity-capitals, and an increase in the number of men whose activity consists in enabling the transformation, the metamorphosis of capital from the commodity form to the money form.

(a) Capital produces such a quantity of commodities as to glut the market. There results correspondingly an increase in competition to get them consumed. Hence the growth of retail outlets, distribution chains, which must make the commodities known. Besides, the enormous development of advertising which, in investment, replaces fixed capital as an expedient to remove a part of the product from the proletariat. One fraction of capital is wasted so as to make another part circulate (as Marx indicated in the passage cited concerning the defence of the autonomy of exchange-value). Capital has subsumed science to incorporate it into the production process; so it does the same with art to incorporate it into the circulation process. All artistic forms are utilized to make capital circulate. This expresses the very inessentiality of these



productions. So all those who dedicate themselves to this activity live off the circulation of surplus-value. And they earn wages so much the higher as the economic situation is prosperous.

(b) To accomplish the multiple functions of its total process, capital needs an apparatus which is included within the unproductive costs of production: bookkeeping, banking system, a large part of the postal services etc.. In this we have everything that is now called the tertiary sector. A large number of the men employed there, who are wage-labourers, are super-exploited, as capital cannot allow the immobilization of an excessive part of surplus-value. If surplus-value in its totality could be the nourishment of a social stratum, this would again express a possibility of enjoyment for man. But for a given necessary labour time, capital requires the maximum surplus labour, only on this condition does surplus-value escape its own fixation. The very way in which their wages are paid, in bank account transfers, is already a symptom of this necessity. This system means that as little money is withdrawn each time as possible. If the opposite happened, it could provoke disturbances in monetary circulation, an epiphenomenon of the circulation of value, and so too of surplus-value. The deposits and withdrawals of money are replaced by account transactions, which allows money to conserve the form of capital at the disposal of the banks, and hence the capitalists.

When it has reached a certain stage of development, capital can no longer allow itself a similar partial fixation of value<sup>[5]</sup>, and replaces men with machines, again increasing free labour. But, as usual, this is done so as better to grab surplus-value, increasing the dependence of men *vis-à-vis* capital and favouring competition among them. Just as in industry, a reserve army of labour has been formed gradually. In a prosperous period, a growing number of men can obtain employment; in a crisis they fall back into unemployment: unsold commodities. Besides, the tendency of capital to reduce complex to simple labour is true also at this stage. The development of cybernetics is from every point-of-view comparable to that of the machine. In both cases there was 1) intensive division of labour and population increase, 2) study of the basic movements to which men were reduced, 3) production of machines capable not only of performing them, but also of integrating them into a larger totality. The social origin of cybernetics is thus identical to that of the machine.<sup>[6]</sup>

#### ***D. Theory of Needs and Free-Time***

The increase of labour's productivity is translated by an increase in free time, but also into an ever greater increase of the mass of products. This disposable social labour time has been absorbed by the circulation needs of capital. But in this field in turn disposable time has been produced so that two problems always pose themselves: 1) how to consume all these products, 2) how to use the disposable time. This means that capital incessantly regenerates the social strata who live off the circulation of surplus-value. They even grow during this process. These two elements have given rise to two complementary theories, of needs and of free-time.

Both seem to be in contradiction with the needs of capital. In reality, as we have tried to explain, capital presents itself as the advocate of abstinence and forced labour. This corresponds to the period in which it still had to be formed and to have its domination assured. Use-value had to be sacrificed to obtain the maximum valorization<sup>[7]</sup>. Now valorization has reached this point: the quantity of value is such as to inhibit new movements of valorization; the mass of commodities is such that, to make valorization possible, consumption is imperative at any cost.

The followers of the theory of needs claim to aim at man's happiness as a justification. But it is in fact a doctrine of capital. In reality, the objects which are proposed for human consumption become decreasingly necessary for the species as they are artificial or dangerous, while those which are really necessary become increasingly expensive. Capitalism abandons the sphere of the satisfaction of man's material needs:



"In our epoch, it is easier to produce something superfluous than something that is necessary."  
(*Poverty of Philosophy* in MECW 6 p.???)

And this is logical since capital is the negation of necessary labour time, and hence of that labour time during which the proletariat produces to replace the value that his wages represent.

The most ardent supporters of this theory are to be found among the middle classes. This is why, correspondingly, they demand democratic planning, i.e. a larger share of the social surplus-value to be able to satisfy their own needs. These classes, which live off the realization of surplus-value, are therefore only manifesting their-own reality by claiming a division of the surplus-value which would be more favourable to themselves. In this sense, the supporters of this theory remain Malthusians. Just like Malthus, they want bourgeois production to guarantee "a broader and. more comfortable material base" for their classes. And, they polemize. against the defenders of integrated capitalist production who maintain that surplus-value should be used to produce new surplus-value, and who are well aware that if this movement is halted, the entire system would be in doubt. Thus they are partisans of its use in those branches of production where consumption is direct and. circulation is reduced to zero: the armaments sector. From this springs tall 'the anathemas launched by the mouthpieces of the middle classes against the armaments race, the various strike forces.

Our modern Malthusians never attack the basic capitalist relation: wage-labour. They want bourgeois production, but without the grave consequences that it implies and which lead to crises, the substrate of revolution. They only serve the reaction however much they agitate and grumble about the power of capital. They want to drag the proletariat into this feeble dispute. It is also true that they find a basis for their manoeuvre: the situation as regards capital is similar in appearance, since basically the proletariat like the individuals belonging to the middle classes are all wage-labourers. In short, the present-day Malthusians preserve the same attitude of Malthus on over-production. He maintained that an idle class was necessary to resolve it. They consider that the growth in population is a panacea. More people are required to consume the agricultural surplus, for example.

But capital does not care about their observations. Just as it eliminated the old middle classes, so it will not have the slightest hesitation in sacrificing the new ones for its valorization process, and to guarantee its autonomization. In the final analysis, capital resolves the problems of the tendential fall in the rate of profit through wars, as we saw in the long quotation from Marx. It remains to be noted that in the course of the crisis the inessential character of the new middle classes reappears. Capital will sacrifice them to its own autonomy. On the other hand, capital's attitude regarding the proletariat is different since it is precisely the proletariat that brings the increase in value which is the life source of capital. In the course of the crisis, it is rather that the proletariat can threaten capital the revolution.

So if the crisis is violent, there is nothing left to save capital other than war. This presents itself at the same time as a branch of production and as consumption par excellence. Not only are useless commodities consumed, but so too are men who in their turn have become useless, because they were produced in the period of surplus-labour of the species, which means that they are superfluous. Thus the middle classes will be sacrificed. Hence their terror of war, a terror in which they try to make the proletariat participate. But the latter knows well that, along with the whole history of the class struggle with the bourgeoisie, war can facilitate the liberating act, the revolutionary explosion, as in October 1917.

### ***E. Productive labour and Middle Classes***

One we have reached this stage of the generalization of wage-labour, and hence the domination over use-value and over man, from the moment when every service has been transformed into a service for capital, the difference between productive and unproductive labour tends to become hazy, not so far as regards the proletariat, since there is no doubt that its labour is productive, but from the point of view of capital and of

the middle classes. In reality, work which enables the realization of surplus-value appears as useful, and therefore productive, since, thanks to it another productive cycle can arise. Marx wrote in 'Apologist Conception of the Productivity of all Professions':

"A philosopher produces ideas, a poet poems, a clergyman sermons, a professor compendia and so on. A criminal produces crimes. If we look a little closer at the connection between this latter branch of production and society as a whole, we shall rid ourselves of many prejudices. The criminal not only produces crimes but also criminal law, and with this also the professor who gives lectures on criminal law and in addition to this the inevitable compendium in which this same professor throws his lectures onto the general market as a "commodity". This brings with it augmentation of national wealth, quite apart from the personal enjoyment which - as a competent witness, Herr Professor Roscher, (tells) us the manuscript of the compendium brings to its originator himself.

"The criminal moreover produces the whole of the police and of criminal justice, constables, judges, hangmen, juries, etc.; and all these different lines of business, which form equally many categories of the social division of labour, develop different capacities of the human spirit, create new needs and new ways of satisfying them (here then in a concise form there is a definition of the modern theory of needs - ed.). Torture alone has given rise to the most ingenious mechanical inventions, and employed many honourable craftsmen in the production of its instruments.

"The criminal produces an impression, partly moral and partly tragic, as the case may be, and in this way renders a "service" by arousing the moral and aesthetic feelings of the public. He produces not only compendia on criminal law, not only penal codes and along with them legislators in this field, but also art, *belles-lettres*, novels, and even tragedies, as not only Müllner's *Schuld* and Schiller's *Räuber* show, but also *Oedipus* and *Richard the Third*. The criminal breaks the monotony and everyday security of bourgeois life. In this way he keeps it from stagnation, and gives rise to that uneasy tension and agility without which even the spur of competition would get blunted. Thus he gives a stimulus to the productive forces. While crime takes a part of the superfluous population off the labour market and thus reduces competition among the labourers - up to a certain point preventing wages from falling below the minimum - the struggle against crime absorbs another part of the population. Thus the criminal comes in as one of those natural "counterweights" which bring about a correct balance and open up a whole perspective of "useful" occupations.

"The effects of the criminal on the development of productive power can be shown in detail. Would locks ever have reached their present degree of excellence had there been no thieves? Would the making of bank notes have reached its present perfection had there been no forgers? Would the microscope have found its way into the sphere of ordinary commerce (see Babbage) but for trading frauds? Doesn't practical chemistry owe just as much to adulteration of commodities and the efforts to show it up as to the honest zeal for production? Crime, through its constantly new methods of attack on property, constantly calls into being new methods of defence, and so is as productive as strikes for the invention of machines. And if one leaves the sphere of private crime: would the world market have ever come into being but for national crime?" (TSV I pp. 387-8)

This fragment ironically refutes the intellectuals' pretension of producing superior values, or values *tout court*. *Mutatis mutandis* it suits all the contemporary apologists of capital, who justify all its manifestations by means of a theory of needs. Besides, in another passage from the *Theories of Surplus-Value*, Marx explains the becoming of certain sorts of labour that had been presented as necessary:

"If man attributes an independent existence, clothed in a *religious form* to his relationship to his own nature, to external nature and to other men so that he is dominated by these notions, then he requires *priests* and *their* labour. With the disappearance of the religious form of consciousness and of these relationships, the labour of the priests will likewise cease to enter into the social process of production. The labour of priests will end with the existence of the

*priests themselves and., in the same way, the labour which the capitalist performs qua capitalist, or causes to be performed by someone else, will end together with the existence of the capitalists." (TSV III p. 496)*

The same holds good for capital and the middle classes.

Capital produces an enormous quantity of commodities. Therefore any activity will be productive that is able to work them off and to get them consumed<sup>[8]</sup>. Production creates needs, although not immediately. Between the potential consumers and the commodities accumulated on the market, intermediaries are needed to stimulate in man the desire to consume, so as to enslave daily life too to its exigencies. Men are needed to guarantee all these functions, another complementary origin of the middle classes.

But it is not enough to make people buy, they must buy time and again. A propensity for consumption must be preserved. Here the theory of needs is transformed into a theory of indefinite progress, and our middleman into a progressive, and this can only be realized by the indefinite increase of the continually renewed material wealth<sup>[9]</sup> (this is the other subjective aspect of the devalorization analysed above). Man is transformed into a hoarder of fading wealth that is devalorized immediately it is acquired. If it were otherwise, it would mean that in however small a measure - production would still be production for man. But, on the contrary, he is not asked to consume use-values, but to realize exchange-values and to enable their valorization. And this is possible only, through the metamorphosis of the commodity, whose use-value slows its movement, into money, where value again finds all its mobility.

*"With capital the consumption of the commodity is not itself final; it falls within the production process; it itself appears as a moment of production, i.e. of value-positing (Wertsetzen). (Grundrisse p. 536)*

Thus, if as Marx states:

*"...beneath the invisible measure of value lurks hard money." (Contribution p. 70)*

then behind the consumption of commodities lurks hard capital. This is clearly seen when man does not wish to consume. Capital resorts to violence to force him to do so, obviously using economic violence, since it acts in conformity with its own being. Presently this is the case with construction: men are forced to spend a certain percentage of their wages to rent or to buy somewhere to live. Capital cannot tolerate a fixation of value, it cannot tolerate that the proletariat has reserves, even in the deceptive money form. Therefore it tries by all possible means to take from the proletariat what it has been paid in the form of wages.

The "work" to which the individuals who "live off the net product" dedicate themselves is that of increasing consumption in order to increase the velocity of the circulation of commodities and thus of capital. Marx mocked intellectuals by showing them that even crime was productive. The present-day apologists of capital, inasmuch as they defend an illusory productivity of the middle classes, thus defend crime itself. For is it not a crime against humanity to condemn it to live in a society like this one?

#### ***F. Productivity - Free Time - Leisure***

Capital creates free, disposable time which is really time dedicated to the consumption of capital. The worker who, during the year produces for eleven months or eleven months one week, accumulates a greater or smaller quantity of money for the month or three weeks of holiday. During this period he will behave like any other unproductive consumer and will lose the reserve which he apparently accumulated in the previous months. This implies, however, other consequences:

a) Planning of production. This is slowed down in the course of a determined period. This permits the lessening of the tension which could occur on the market and., at the same time, the workers cannot intervene, make claims etc., since they are dispersed. Capital makes transformations in this period, business reorganizations, which are usually detrimental to th proletariat.

b) The possibility of making functional completely parasitical "industries", such as tourism and the so-called mass-culture. And the worker, neither more nor less than the man of the middle classes, becomes the docile prey of the ideologists of capital.

c) The worker becomes receptive to the ideology of the ruling class during these holidays. Marx said in the *Economic and Philosophic Manuscripts* that the bourgeois is very keen to see the worker put his money into a savings account so that he acts like a bourgeois, reacts like a bourgeois, and does not place in doubt surplus-value production, but instead defends the valorization of capital<sup>[9]</sup>. Capitalism is now more demanding, its wish is to drown the proletariat in the middle classes and to proclaim that it no longer exists. The basis of this negation is the generalization of wage-labour.

To tell the truth, this tendency is not new. But given the real domination of capital, it appears with greater virulence. In reality, the bourgeois economists of the last century exalted the development of machinery which, while increasing the productivity of labour, would have led to the happy result:

"The landlord and. capitalist will benefit, not by an increase of rent and profit, but by the advantages resulting from the expenditure of the same rent, and. profit, on commodities, very considerably reduced in value, while the situation of the labouring classes will also be considerably improved; 1st, from the increased demand for menial servants; 2dly, from the stimulus to savings from revenue, which such an abundant net produce will afford; and 3dly, from the low price of all articles of consumption on which their wages will be expended." (Ricardo *On the Principles of Polical Economy and Taxation* Second Edition, -London, 1815 pp. 474-5; cited in TSV II pp.

Marx comments on this passage in the following way:

"This progressive transformation of a section of the workers into servants is a fine prospect. For the worker it is equally consoling that because of the growth in the net product, more spheres are opened up for unproductive workers, who live on his product and whose interest in his exploitation coincides more or less with that of the directly exploiting classes." (TSV II p. 571)

Landed proprietors and capitalists as individuals have been brushed aside by production, but the tendency remains the same: to reduce the workers to the servants *of capital*. The activity of the middle classes is just this; it is true that they perform services for capital, but do not perform any productive labour. The interest of these classes is directly linked to that of capital: to transform the workers into servants, that is, to destroy the revolutionary force of the proletariat.

So it is easy to understand why the question of the granting of free time has such a great importance today. However, it should be noted here that the needs of capital's development can lead it to deny tomorrow precisely what it proclaims today, and hence to reduce again this free time, since in certain fields it will require more surplus-value. The use of free time has an interest only if t is good for business for capital, which implies that the worker is not allowed to relax freely: his rest time must be a time for consuming capital. On the day when this is no longer possible, capital will try to retake what it gave before.

### ***G. Movement of capital - Fixation of men***

So we can see how the increase of the productivity of labour, the increase of disposable time and the consequent corollaries - devalorization of labour-power and diminution in the number of proletarians - is accompanied by the generalization of wage-labour. Capital artificially reproduces the relation on which it is based, since it cannot destroy private appropriation. On the other hand, human activity, dominated by capital, is arranged as follows:

A. A group of productive men: the proletarians.

B. Another group linked to capital as follows:

(a) One part directly interested in its development, since it gets its hands on a quantum of the social surplus-value. It manages capitalism and is, in fact, the capitalist class.

(b) Those who live off the consumption of surplus-value, since they enable its realization: these are the middle classes.

(c) Those who defend the appropriation of unpaid labour, also living off the consumption of surplus-value - and who guarantee its perpetuation police, army and so on, in a word, the state.

This is understandable because we have seen that capital firstly dominated the immediate process of production: factory despotism (*Capital* Volume I); how subsequently it comes to dominate all use-values (the study of fixed capital in Volume II and in the *Grundrisse*) then it secures commerce and achieves autonomy in the form of finance capital (Volume III and the *Grundrisse*) As it comes to presuppose individual values (production prices), it therefore tends to presuppose all the activities that produce them or that permit their realization. This means that capital has subordinated to itself the whole society and has become the master of the state, its tool for domination, and hence a tool for the domination of the proletariat. Everyone ends up by assuming a function useful to capital, this function is mediated by it, this being the generalization of wage-labour: We may therefore understand the decisive importance of the transformation of the value and price of labour-power into the form of wages, or into the value and price of labour itself." (*Capital* I p. 680) This is therefore a generalized mystification and a masking of the fundamental social relation which creates surplus-value: that between workers and capital.

"All the notions of justice held by both the worker and the capitalist, all the mystifications of the capitalist mode of production, all capitalism's illusions about freedom, all the apologetic tricks of vulgar economics, have as their basis the form of appearance discussed above, which makes the actual relation invisible, and indeed presents to the eye the precise opposite of that relation." (ibid. p. 680)

But such a generalization of the wage-labour form is, at the same time, a negative, mystified affirmation of communism.

Besides, this only expresses another contradiction: capital, value in process and in perpetual motion, feels the need to fix men in determined situations to guarantee the autonomy of its own process. Thus it too tends to behave like the:

"..tendency shown by earlier societies towards making trades hereditary." (ibid. p. 459)

This is one aspect of the industrial feudalism of which Fourier spoke. It affirms the absolute domination of capital over human society. To the same extent that capital tends to negate value, it tends to negate classes, although it cannot destroy them. In this attempt resides the most profound expression of the mystification of capital: it forms the basis of contemporary social-democracy, i.e. fascism. It will be possible to realize

democracy when there are no longer any classes. For Marxists, this is the moment when it disappears. (Cf. Lenin, *State and Revolution*.)

### ***Note on wage-labour & function***

The French translation of *Capital* Volume I by Roy gives the citation at the foot of the previous page as follows:

"We may therefore understand the decisive importance which in practice this change of form possesses, which allows the appearance of the payment for labour-power as wage-labour, the price of labour-power like the price of its function." (*Le Capital* Livre I, t. 2, p. 211)

The term function does not exist in the original; consequently it would seem that we have made Marx say, through Roy, what he did not wish. Since this is very important for the rest of this study, we should check to see if there has or has not been a deformation of Marx's thought. One can read on the next page:

"Finally, the *use-value* supplied by the worker to the capitalist is not in fact his labourpower but its *function* (*Funktion*) a specific form of useful labour..." (ibid. p. 681 - our emphases)

This is absolutely logical because what interests capital in labour-power is its use-value, its aptitude to be consumed, and this can only take place when it starts functioning. Again on the next page:

"Moreover, the actual movement of wages presents phenomena which seem to prove that it is not the value of labour power which is paid, but the value of its function, of labour itself." (ibid. p. 682)

Widening the field of enquiry, we can note that here it is possible to present Marx's theory as not reducible to a structuralism, but rather to a functionalism. One could support this "presentation" with the following arguments: Marx considers that the capitalist has a function to fulfill in the production process and consequently, when a separation occurs between the property of capital and the function of the capitalist, he describes the redimensioning of the latter in the rank of functionary; he examines the different figures of capital commodity capital, money capital etc. - insofar as they have a function in the total production process etc..

It is quite true that a theoretical undertaking like this would bear witness to a certain dose of stupidity, just as pronounced as that of those who drown Marx in structuralism. Still, every attempt at research, even if it lapses into madness, has a real *datum*. Insofar as it is a being, capital has a determined structure: the capitalist mode of production - the efficacy of this structure is capital itself - and capital is an ensemble of functions.

Racketeer thought needs originality and alienability (it is not enough to produce, one must also sell), so it autonomizes certain partial aspects on which it bases an argument suitable to confront the competition of the others, now accused of ideology, in the "theoretical space", the space of the madness of capital.

(Note of May 1972)

1. The economic operators, the promoters and varied speculators who do not own capital as capital is social, but take a part in exploitation. They really form the capitalist class during the real domination of capital.

2. The resume of this meeting held by Bordiga is *Vulcano della produzione palude del mercato?* (in *il programma comunista* nos. 13-19, 1954) (Republished in *Economia Marxista ed economia controrivoluzionaria* (Iskra, Milano, 1976)

3. *Um Leib und Seele zusammenhalten.*

4. Cf. TSV III p. 449 for the same statement.

5. There is fixation since a fraction of the surplus-value is consumed to pay for the necessary labour of these men. We leave out here the role that taxes can play.

6. This analysis of the formation of the new middle classes is valid only at a given moment of the life of capital. Presently, with the full real domination of capital over society, it is totally superseded. (Note of May 1972)

7. Later everything is value, even man because he is a commodity.. If he maintains the aspect of use-value for capital, it really is a value in the full sense of the term, only that his value is realized in production, in use. The others can only be realized through circulation. So all differences tend to become hazy. Values appear to have different functions. It can be said that labour-power no longer appears to be a value, its human aspect has disappeared, since it has been subjugated by the latter.

8. Marx shows in the *Grundrisse* that all the time that has to spent on circulating value is necessary labour time, which cuts the amount of surplus labour time. So this is a new contradiction which capital overcomes apparently by making human labour out of necessary labour for itself. We can merely indicate this fact here as its development would be rather lengthy.

9. "Modern industry never views or treats the existing form of a production process as the definitive one." (Capital I p. 617)

This is the basis of the constant renewal of products and so too of repeated consumption.

10. For the bourgeoisie: "The worker may have only enough for him to want to live, and may only want to live in order to have that." (MECW 3 p. 309)



## Chapter 5: *Mystification of capital: alienation & reification*

The *Results* cast light over Marx's economic work even in this respect. Really it is not a question of a novelty, a hasty idea jotted down and then soon forgotten, the fruit of an imaginative fantasy of the author, but, on the contrary, an important, even essential concept of the marxian criticism of the capitalist system of production. Marx sometimes developed this concept, defining it in another way, however, as fetishism. Thus, for example, in the *Economic and Philosophic Manuscripts*:

"To the extent to which the solution of theoretical riddles is the task of practice and effected through practice, the extent to which true practice is the condition of a real and positive theory, is shown, for example, in fetishism." (MECW 3 p. 312)

Later on also in *Capital* Volume I in the famous chapter 'The Fetishism of the Commodity and its Secret'. In *Capital* Volume III, however, Marx readopted the term mystification. As we shall show, although it is not the prerogative of capital, it does achieve its full development in it.

"A social relation of production appears as something existing apart from individual human beings, and the determined 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 forms of labour positing exchange-value." (*Contribution* p. 49)

Marx's work is essentially demystifying. It discovered that behind the veil of things lie hidden relations between men. Mystification was thus linked with alienation in its most acute form: reification, which springs from the autonomization of exchange-value. The exposition of mystification therefore supposes that of the other two. We have already spoken of autonomization, now we shall deal above all with mystification and reification.

"This mystification is still a very simple one in the case of the commodity." (ibid. p. 43)

This was developed and amplified in capital:

"Since - within the process of production - living labour has already been absorbed into capital, all the *social productive forces of labour* appear as the *productive forces* of capital, as intrinsic attributes of capital, just as in the case of money, the creative power of labour had seemed to possess the qualities of a thing." (*Results* p. 1052)

Hence all the mystificatory aspects of capital. We have seen them during the subsumption of the use-value *par excellence* living labour, under fixed capital, during the transformation of coexisting labour into co-existing capital etc.. We shall not return to this. We shall simply say that mystification grows *pari passu* with the autonomization of capital, that is, as the valorization process supplants the labour process. This occurs when surplus-value is transformed into profit and value into production price.

1. "The difference between fixed and circulating capital, in connection with the calculation of the cost price, thus only confirms the apparent origin of the cost price in the capital value expended, or the price that the expended elements of production, labour included, cost the capitalist himself. As far as value formation is concerned, however, the variable portion of capital, that laid out on labour power, is expressly identified here with constant capital (a portion of capital consisting of production materials), under the heading of circulating capital, and thus the valorization process of capital is completely mystified." (*Capital* III pp. 123.24)

2. "Since all sections of capital appear equally as sources of the excess value (profit), the capital relation is mystified.

"Yet the way that surplus-value is transformed into the form of profit, by way of the rate of profit, is only a further extension of that inversion of subject and object which already occurs, in the course of the production process itself.<sup>[1]</sup> We saw in that case how all the subjective productive forces of labour present themselves as productive forces of capital (cf. *Capital* I pp. 450-53 (and especially the *Grundrisse* - ed.)). On the other hand, value, i.e. the past labour that dominates living labour, is personified into the capitalist; on the other hand, the worker conversely appears as mere objectified (*gegenständliche*) labour-power, as a commodity. This inverted relationship necessarily gives rise, even in the simple relation of production itself, to a correspondingly inverted conception of the situation, a transposed consciousness, which is further developed by the transformations and modifications of the circulation process proper." (*Capital* III p. 136)

3. In the study of autonomization, we cited a passage in which the fact that capital is a relation with itself was explained. Marx added:

"But how this (the creation of new value - ed.) happens is now mystified, and appears to derive from hidden qualities that are inherent in capital itself.

"The further we trace out the valorization process of capital, the more is the capital relationship mystified and the less are the secrets of its internal organization laid bare." (ibid. p. 139)

This leads on to the two following-comments:

a) "Given however that the rate of profit can rise or fall, with the rate of surplus-value remaining the same, and that all that interests the capitalist in practice is his rate of profit, this circumstance also completely obscures and mystifies the real origin of surplus-value from the very beginning." (ibid. p. 267)

b) "With the transformation of values into prices of production, the very basis for determining value is now removed from view." (ibid. p. 268)

### Mystification and Interest

"The fetish character of capital and the representation of this capital fetish are now complete. In M - M' we have the aconceptual (*begrifflos*) form of capital, the reversal and the reification of the relations of production, in its highest power; the interest-bearing form, the simple form of capital, in which it is taken as logically anterior to its own reproduction process; the ability of money or a commodity to valorize its own value independent of reproduction - the capital mystification in the most flagrant form." (ibid. p. 516)

### Mystification and Revenue

It is, however, in the analysis of the trinity formula of capital that Marx shows exhaustively the movement of autonomization which creates reification, which is only the objective affirmation of mystification. Marx synthesizes the relations between mystification and different periods of commodity production in this chapter.

"We have already shown in connection with the most simple categories of the capitalist mode of production and commodity production in general, in connection with commodities and money, the mystifying character that transforms the social relations for which the material elements of wealth serve as bearers in the course of production into properties of these things themselves (commodities), still more explicitly transforming the relation of production itself into a thing (money). All-forms of society are subject to this distortion, in so far as they involve commodity production and monetary circulation. In the capitalist mode of production,

however, where capital is the dominant category and forms the specific relation of production, this bewitched and back-to-front world develops much further." (ibid. pp. 965-6)

He then analyses this during formal domination:

"If we view capital first in the immediate process of production, as a pumperout of surplus labour, this relationship is still very simple; the real connection impresses itself on the bearers of this process, the capitalists, themselves, and is still in their consciousness. The fierce struggle over the limits of the working day shows this in a striking way. But even within this immediate sphere, the sphere of the immediate process between labour and capital, the matter does not rest at this simple stage." (ibid. p. 966)

Now we come to the phase of real domination.

"With the development of relative surplus-value (which is what we saw in the *Results* - ed.) in the specifically capitalist node of production, involving the growth of the productive forces of social labour, these productive forces and the social context of labour appear in the immediate labour process as shifted from labour to capital. Capital thereby already becomes a very mystical being, since all the productive forces of social labour appear attributable to it and, not to labour as such, as a power springing forth from its own womb. Then the circulation process intervenes, with all sections of capital, even agricultural, participating in it to the same degree, and so develops the specifically capitalist mode of production," (ibid. p. 966)<sup>[2]</sup>

"Even though this functions simply as a negative limit on the value and surplus-value formation, it gives the appearance of being just as positive a ground as labour itself and of involving a determination independent of labour that arises from the nature of capital." (ibid.)<sup>[3]</sup>

Finally the last stage:

"Further, however, the actual production process, as the unity of the immediate production process and the process of circulation, produces new configurations (*Gestaltungen*) in which the threads of the inner connection get more and more lost, the relations of production becoming independent of one another and the components of value ossifying into independent forms." (ibid. p. 967)

This appears bright and clear in the trinity formula of capital:

"In capital-profit (or better still capital-interest), land-ground-rent, labour-wages, this economic trinity as the connection between the components of value and wealth in general and its sources, the mystification of the capitalist mode of production is completed, the reification of social relations, and the immediate coalescence of the material relations of production with their historical and social specificity: the bewitched, back-to-front and upside-down world haunted by Monsieur Le Capital and Madame La Terre, who are at the same time social characters and mere things.

"This formula also corresponds to the self-interest of the dominant classes, since it preaches the natural necessity and perpetual justification of their sources of income and erects this into a dogma." (*Capital* III pp. 968-9)

Autonomization ends up by eternalizing social relations. Capital wishes to present itself as a natural fact having existed for all eternity and which has simply continued to improve down the centuries to reach its present perfect form. Hence the reification of social relations expresses, as we have seen, itself in the trinity formula which appears as a justification for the existence of classes. At a more developed stage, capital mediates all relations between men and negates classes. This also is included in its definition of self-

valorizing value, it becomes the master of all use-values along with the "expropriation of all individuals of their means of production". Negating class, that is, dissolving the proletariat in the middle classes, masks the fundamental antagonism. All men are slaves of capital. This slavery is expressed in an hierarchical ordering of men's functions regarding capital. Capital fixes them into given social situations so as best to assure the reproduction of its value in process. That is the present form in which the social division of labour now appears.

The domination is finally expressed in the following historical inversion; originally man exploits the earth, through social relations which express his alienation; he exploits the natural wealth. Today man appears as the only wealth which is exploited by the reified social relations which have attained autonomy in the form of capital:

"I enable someone else by means of money etc., to appropriate surplus-value. Thus it is quite in order for me to receive part of this surplus-value. Just as land has value because it enables me to intercept a portion of surplus-value, and I therefore pay for this land only the surplus-value that can be intercepted thanks to it, ..' " (TSV III p. 455)

Capital and the earth have value to the extent that they are a means of exploiting the proletariat so that, through it, value valorizes and produces an increment. The life of capital presupposes the continuous appropriation of living labour. The more the socialization of labour manifests its tendency to fix labour in the form of dead, crystallized, objectified labour, and so to devalorize it, the more capital seeks new means to appropriate new quantities of living labour. From this derives, on the one hand, the profoundly mystifying theory of needs propagated by modern theoreticians, and, on the other hand, the reduction of the whole of humanity to slavery. To pose all the labour of the human race as a vital necessity to the capitalist mode of production, is only another way of negating classes.<sup>[4]</sup>

But this attempt to negate classes would have had no chance of success if there had not been another cause for its birth: the defeat of the world proletariat in the period 1926-28.<sup>[5]</sup> Mystification means power of capital plus the defeat of the proletariat. Present-day society lives from a momentarily defeated revolution.

#### *Mystification and modern society: capitalism in the garb of communism*

Forced to take account of the strength of the proletariat, Stalinist Russia had to disguise itself and realize the triumph of capital under the mask of socialism. This masking was a requirement of the bourgeoisie, as Lenin had remarked in 1905:

"... the bourgeois gentlemen *cannot* call themselves by their real name yet, any more than they can go out into the street naked."

"But their *interests* at the moment demand liberty, and liberty cannot be won *without the people* and the backing of the people cannot be secured unless one calls oneself a "democrat". (= an adherent of the rule of the people), *unless one conceals one's monarchism*. ('Revolutionary Struggle and Liberal Brokerage', (June 1905) in *Collected Works* Vol. 8 p. 489)

They used a democratic mask at the beginning of the century as the classes in precapitalist Russian society were not well-defined as yet, and the bourgeois revolution was still to come. The mask was communist after 1926, it was vital to avoid a revolution, the proletarian revolution; the adversary that had to be used: the proletariat.<sup>[6]</sup>

The mystification is quite real And has this character of reality because capitalism and communism have two common features which give them a common basis:

a) Co-operation.

"As all the developed forms of the capitalist process of production are forms of co-operation, nothing is easier, of course, than to make abstraction from their specifically antagonistic character, and, merely by verbal alterations make them sound like forms of free association. This is what Count A. de Laborde does in *De l'esprit d'association dans tous les interets de la communaute*, Paris, 1818. H. Carey, the Yankee, occasionally performs this conjuring trick, with similar success, even with the relations prevailing under slavery." (*Capital I* p. 671 fn. 3)

Carey has had innumerable emulators ever since!

b) The socialization of production. Capital appeared from the very start as a period of social production, according to Marx:

"If then, on the one hand, the capitalist mode of production is a historically necessary condition for the transformation of the labour process into a social process, so, on the other hand, this social form of the labour process. is a method employed by capital for the more profitable exploitation of labour, by increasing its productive power." (*Capital I* p. 453)

"Co-operation remains the fundamental form of the capitalist mode of production, although in its simple shape it continues to appear as one particular form alongside the more developed ones." (ibid. p. 454)

"On the basis of capitalist production, however, extended operations of long duration require greater advances of money capital for a longer time. Production in these branches therefore depends on the limits to the individual capitalist's disposal of the money capital. This barrier is overcome by the credit system and the forms of association related to it, e.g. joint-stock companies." (*Capital II* p. 433)

Developed capital can now no longer put up with this masquerade and must affirm itself in accordance with its own being. That is why the category of profit is becoming preponderant in Russia. However, the Russians continue to speak of communism for the reason of class conservation. Only the proletariat will be able to unmask this. Now, during the wait, it is unnecessary to discuss this mystification, because it is inherent in the capitalist relations of production. It took this extreme form in Russia simply because the class struggle there reached a height unknown elsewhere. One does not have to discuss this mystification, but instead, one has to show how capital daily engenders it, and this to accomplish the demystifying work of the party which alone can prepare for the assault on the fortresses of imperialism.

This is the case too for the ex-colonial countries which have achieved independence. They have completed their bourgeois revolution in a more or less secondrate manner, in an historical period when the only revolution necessary to humanity is the communist revolution. All these countries, especially those in which armed struggle has been important, and where, therefore, the proletariat played a determining role, even if not on the basis of its own objectives, are forced to employ this mystification, if they want to build up their capitalism in opposition to world imperialism. The only way in which they can realize primitive accumulation is by presenting it as the construction of socialism. These new states cannot struggle against imperialism by calling for capitalism; if they did that, how would they be able to mobilize the masses in the struggle against the world monster. Their masks is the recognition of the fact that capitalist society has had its day and that communism is the necessary form of the human social future. The proletariat must proclaim the power and the necessity of communism, show how the development of capital increases its power and, unifies it, forming the very basis of its organization into a class and hence into a party.

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1. Hence Hegel, whose philosophy is the interpretation of this inversion.

2. Hence the importance of the study of circulation.

3. Here we can find the answer to the question asked in the *Grundrisse* does not circulation time intervene in the creation of value. This reply, found in *Capital* Volume III, is explained in detail in the *Grundrisse*. We have already demonstrated the importance of circulation in the capitalist system. (Capital is essentially circulating capital.) But we would have to go beyond the bounds of this work to develop this theme.

4. This transformation of all human labour into labour necessary for capital is dealt with exhaustively in the *Grundrisse*. We broached it in Chapter 4 'Productive and Unproductive Labour', because it is there, on the theoretical level, that capital's mystification operates most strongly. In fact the labour of the middle classes - unproductive consumers - has nothing to do with productive labour for man; it exists only because it is required by the movement of capital.

5. These dates correspond to:

1926: victory of the theory of socialism in a single country inside the Bolshevik Party

1928: victory of the same theory inside the communist international.

6. Lenin wrote in 1915 "To influence the workers, the bourgeois must assume the guise of socialists, Social-Democrats, internationalists, and the like, for otherwise they can exert no influence." ('Social Chauvinist Policy behind a Cover of Internationalist Phrases' in *Collected Works* Vol. 21 p. 432)

## Chapter 6: *Capital & material community*

- (a) Dissolution of the community and movement of value
- (b) Community and the forms of appropriation of the surplus product
- (c) Gold and material community
- (d) Capital and material community
- Note on the forms of value (1972)
- Note on alienation (1972)

### ***A. Dissolution of the Community and Movement of Value***

We indicated at the beginning that the two essential points of Marx's work are:

- the origin of value, its determinations and its forms
- the origin of the free worker, of the wage-labourer.

These two problems are, in fact, closely connected, since both the autonomization of exchange-value and the production of the free labourer depend equally on the destruction of the ancient community. From this derives another aspect of the marxian work: the exposition of the formation of a material community, which replaces the pre-existing community. In reality, the movement of production appeared as the expropriation of man and his atomization (production of the individual) and simultaneously as autonomization of social relations and of the products of human activity, which become an oppressive force: autonomization and reification. Then man was separated from his community, or more precisely, the latter was destroyed. Originally this was a direct, natural community, based on aristocratic purely human relations; later of a community mediated by the land, but in which personal relations still held great importance, in which use-value - thus what is useful to man - still had a leading role. In its turn, this was destroyed by the development of money. The different communities had tried to marginalize money from the social relations, inasmuch as it was alien to the same communities. Hence the anathema of the corruption of gold. With capitalism, a stage now completed by the autonomization of exchange-value, the last residues of the communities were destroyed. The Asiatic form of production, which had survived in America, Asia and in Africa, collapsed. Thus we must ask the following question: can money replace the natural community or that mediated by land; and if money does not succeed in doing this, can capital?

We can say straightaway that, from a superstructural, political point of view, this problem haunted the revolutionaries of 1789. How can men be unified who have been separated by the production process? How can the old community be replaced? They found a constitutional, institutional solution: institutions should be created, a social contract agreed. But these institutions, based on simple commodity production and on the very weak, development of capitalism, could in reality not be the constitutive principle of those portions of humanity which were nation They wanted to treat as definitive forms which were simply transitional. Hence the mystification<sup>[1]</sup>.

Before analysing the correlation between commodity production and the social relations preceding capitalism, we should indicate the general movement which we have already mentioned,

a. - Transformation of products of objects useful to man, into commodities. Originally this is episodic and contingent. Exchanges take place between communities. There is the simple form of value: x commodity A  $\longleftrightarrow$  y commodity B: barter. Marx was very insistent on the fact that the first exchanges were not between individuals, for the simple reason that individuals as subjects of exchange, did not exist.

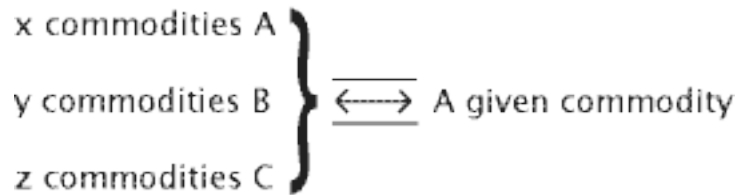
b. - Multiplication of exchanges- total or developed form of value: x commodities A  $\longleftrightarrow$  y commodities B  $\longleftrightarrow$  z commodities C. Exchanges take place inside the community, not just between communities. The



division of labour develops, private property and classes appear. It is the beginning of the autonomization of exchange-value and, simultaneously, of the dissolution of barter and of the natural community.

c. - The general form of value.

A general equivalent appears:



This commodity equivalent was originally part of the indefinite series of exchanges. Now it is excluded and presented, so as to say, as independent from the others. One has a fully developed class society, e.g. ancient slave society. Later the autonomization of money begins, a general equivalent freed of all material determinations, since it is equivalent for all commodities. Subsequently one passes imperceptibly from this form to the money form or the form of coin.

d. - The different functions of money.

These are:

= measure of values

= means of circulation

= coin

These developed in ancient society, but especially in feudal society, which they finally destroyed. Then there was the period of the flourishing of mercantilism and of simple commodities during the thirteenth to fifteenth centuries, when there was the passage to capitalism (land becomes a commodity) which spread over West Europe in the next century.

Social relations became increasingly autonomous during these transformations. However, this autonomization of exchange-value was difficult to realize, because the various communities tried to limit its development. Besides, such a limitation was only possible because production was still weak and, consequently, because both gold and silver still remained in the margins of the movement of society. They were mostly hoarded, since there was no impelling necessity for an element of measure between different productions, nor for a means to circulate products generated by various productive activities. Therefore, as Marx underlines several times, a division of labour between peoples subsists in ancient society. Thus there are trading peoples, who function as intermediaries among the others; Phoenicians, Jews and, in medieval society, the Lombards. It was then that gold and silver were considered for their economic function; while elsewhere they were scorned, or else entrusted to the guardianship of the gods. Society was not yet in a condition to utilize the surplus product and, in the case of an excessive difference between the wealth of some and the misery of the rest, it became necessary to abolish debts and to restabilize a certain equilibrium, as happened in the period of Solon.

The development of feudalism represented a certain ebb in the autonomization. Really it is a question of the reconstitution of a community with personal relations that are important, fundamental and mediated by land. A community in which the mercantile relations seemed to be completely banned, because of the

autonomization of the various units composing feudal society. But then autonomization resumed in the margins of society, against men's wishes.

"From the moment when gold and silver (or any other commodity) have developed as measure of value and means of circulation (in the latter case, be it in bodily form or as a replacement symbol), they become money without the help or wish of society. Their power appears as a fate, and the consciousness of man, especially in the social conditions which drown in a deeper development of the exchange-value relation, revolts against the power that a material, a thing, obtains in relation to them, against the domination of the damned metal, which appears as pure madness." (*Urtext* p. 928)

### ***B. Community and Forms of Appropriation of the Surplus Product***

Thus there is generated an opposition between the movement of society and the economic movement, an opposition between the latter and forms of property, superstructural juridical reflections of economic relations<sup>[2]</sup>. It is the juridical relations that express the community of men and at the same time indicate to what extent the community is more or less undermined by the development of value. In anticipation, we can say that the latter will subordinate property relations. This implies that, at a determined moment, the link between the movement of society and the economic movement will be produced inside the form of appropriation of surplus-labour, and that later it will be the economic movement which underlies the movement of society. The two movements coincide in the act of exchange between labour-power and capital, which is simultaneously an economic and a social relation. This is the moment when a particular act of exchange determines the universal character of the social form. So exchange produces two results: the formation of money, the general equivalent that tends to autonomy; and the autonomization of a single relation. These are the two preconditions for capital; the first is valid for previous historical periods of production, the second is absolutely characteristic of capitalism.

The analysis of exchange is very important, for exchange plays a determining role in the form assumed by property. In reality, in stable societies, appropriation is property in the sense that the appropriation of surplus-value derives from the land (this is also valid for the case of slavery). With the development of production and of needs, as with the development of the division of labour, property cannot be realized in a direct manner, but only through a middle term, exchange. Property thus loses its fixity and becomes appropriation. Marx analysed this phenomenon in the *Urtext*<sup>[3]</sup>.

We will not examine the entire historical movement. It is enough to restrict ourselves to the period of simple commodity production and capitalism. With the first, the feudal community is destroyed, even if its vestiges can linger on (it is rare to find pure forms). We are confronted by individuals separated by the labour process and who produce independently of each other, dominated by the autonomy of exchange-value:

"It is firstly in gold, certainly in the most abstract, therefore the most meaningless and inconceivable form - a form in which every mediation is suspended - that the transformation of the reciprocal social relations appear in a fixed, overwhelming social relation, subsuming the individual. And certainly the phenomenon is firmer as it comes out of the presupposition of free, arbitrary, atomistic private persons who are related in production only through reciprocal needs." (*ibid.* p. 928)

In fact it is in the period of simple commodity production that the bases of liberty and equality are created, since it is in this period that the law of value manifests itself in all its purity: freedom to exchange commodities, free trade, without which the commodities could not confront each other, and hence would have no possibility of realizing value in the centre of the exchange process; equality, since only commodities that contain equal quanta of labour can be equivalent. The bourgeois revolution has done nothing other than generalize these facts, since the historical mission of the bourgeoisie was to set up capitalism which, in the first instance, was simply the generalization of commodity production, and later its

domination and submission to the law of value<sup>[4]</sup>. All this implies that wealth is based on labour. Thus appropriation of wealth could take place when the community could no longer mediate it;

"Firstly, the subjects of the exchange appear as the *owners* of commodities. Because on the basis of simple circulation, however, only one method exists through which each becomes the owner of a commodity, that is through the new equivalent, thus the ownership of the commodity appears as *preceding* the exchange, i.e. the ownership of the appropriated commodity not mediated by circulation, the ownership of the commodity rather must firstly enter into circulation, immediately originating from the labour of its owner and the labour as the original mode of appropriation." (ibid. p. 902)

"*The emergence process of commodities thus also their original appropriation process therefore lies outside circulation.* But because only if mediated by circulation, thus the person's divestment (*Entäusserung*) of his own equivalent, can an alien equivalent be appropriated, so his own work is necessarily presupposed as the original appropriation process, and circulation, in fact, only as reciprocal exchange of work which is incarnated in manifold commodities." (ibid. p. 902)

"*Property based on the person's labour constitutes inside circulation, the basis of the appropriation of alien labour.*"

"And thus from its standpoint, alien commodities, thus *alien labour*, can only be appropriated through the divestment of the person, from his point of view, *the process of appropriation of the commodity* preceding circulation appears necessarily as *appropriation through work*. While *the commodity as exchange-value is only objectified labour*. ... Circulation shows only how this immediate appropriation, *transformed* through the mediation of a *social operation* the *ownership of a person's work as social labour*." (ibid. p. 903)

This is the basis on which bourgeois society will arise:

"*The law of appropriation by his own labour is presupposed* and that is no arbitrary presupposition, but leaps out of the consideration of circulation the realm of bourgeois freedom and equality based on this law opens out into circulation." (ibid. p. 904)

"If the appropriation of commodities through a person's own work is presented as the first necessity, then the second is the social process through which this product is first posited as exchange-value, then transformed as such again into use-value for individuals. After the appropriation through labour, or the objectification of labour, its *externalization or the transformation of itself into the social form*, appears as *the next law*. Circulation is the movement in which the person's own work is posited as exchange-value (money), i.e. as a social product, and the social product as personal (individual use-value, object of individual consumption)." (ibid. pp. 904-5)

Thus the total parcelization of men is arrived at, and the simultaneous socialization of their product, since the product of the individual can only be exchanged to the extent that it possesses a social character. The contradiction is all the greater in that the social aspect no longer derives from the organization of society, but from the economic movement. It is no longer the association of men, but rather their division, which leads to the socialization of their products.

"The exchanger has produced a commodity which is for commodity producers. This comprises: on the one hand, he has produced it as an independent private individual, on his own initiative, merely determined by his own needs and his own capacities, by himself and for himself, neither as a member of a natural community (*Gemeinwesen*) nor as an individual who immediately participates socially in production, and thus relates to his product not as his immediate source of existence. On the other hand, he has produced *exchange-value* a product which first becomes a product through a determined social process, a determined

metamorphosis. He has thus already produced in a context, under conditions of production and relations of circulation that have become so through a historical process, but which appear to him as a natural necessity. The independence of individual production is thus supplemented through a social dependency which finds its corresponding result in the division of labour." (ibid. pp. 905-6)

The individual has not produced as a member of a "natural community", and yet through exchange and the division of labour, his product becomes social. He owes the possibility of appropriating a product not to participation in a community, but rather to the fact that he himself has produced one too. This is the beginning of the material community created by means of production, or, more exactly, by means of its products. A community like this can no longer result from the uniting or reuniting of men, but from that of things, while at the same time it must also stabilize bonds between them. The appropriation or nonappropriation of the product, and hence of the surplus-product, must derive from membership or non-membership of the community, since it must constitute the mediating element once held by the natural community. These are matters which must be treated precisely if we want to understand the historical realization of this community.

"The *private character* of the exchange-value producing individual appears itself as a historical product - *his isolation and selective autonomization within production* conditioned by a division of labour, which in turn is freshly posed by a whole series of economic conditions, through which the individual in his own context with others and his own mode of existence on all sides, is conditioned." (ibid. p. 906)

Besides:

"The individuals confront each other only as owners of exchange-values, as such beings who have mutually assumed an objective existence through the product the commodity." (ibid. p. 906)

The separation of man reaches a maximum; circulation still destroys their isolation, but in a way that their community deriving from a reunification remains external to them. Its duration depends on the duration of exchange. As soon as the series of exchanges ends thus as soon as the individual consumes or returns to production, the community too is abolished.

"(These individuals) do not have any relations between themselves from the standpoint of organic social metabolism, which develops in circulation, without this objective mediation. They exist solely as reified (*sachlich*) for one another, something which is finally developed solely in the money relation, where their community (*Gemeinwesen*) appears as an external and therefore accidental thing opposite them. The fact that the social ensemble which emerges through the clash of independent individuals, at the same time as a reified necessity and as an external bond. to them, it represents *precisely their independence* for which *social existence and so a necessity* but *it is only a means appearing to individuals themselves as something external in money as something palpable...* Inasmuch as they are not subsumed in a natural community nor, on the other hand, consciously subsume as communitarian, a community under themselves, this must be by comparison with them as independent subjects, as something reified, likewise independent, external, and accidental. This is just the condition that they as private, independent persons have to stay at the same time in a social ensemble." (ibid. pp. 908-9)

A material community is required to overcome this human fragmentation. Moreover, the social complex determines the individual element:

"If the individual as private individual produces - *so his position is in no a natural product but a refined result* of a social process - the social character manifests itself in this, that in the content of his work, determination is by the social complex<sup>[5]</sup> and he works only as a member of it." (ibid. pp. 910-11)

Here the relation is reversed: in the old community the individual was allowed to develop, now it is the individual who exploits the new community, in order to expand.

"The division of labour thus conceived as the social reproduction of the particular individual, which is simultaneously a member of the total development of humanity, and the individual simultaneously is enabled to mediate his particular activity to enjoyment of general production, to the all-sided social enjoyment - this conception, resulting from the standpoint of simple circulation, which also confirms the freedom of individuals, is still the current one in bourgeois economics." (ibid. p. 911)

The natural community has been definitely destroyed, while the material community has an accidental existence; besides, there is a distortion between the material element and the various superstructural forms of the dissolution of the natural community; between social life, man and the movement of material wealth. And still, parallel to the historical development, the economic relations become increasingly important and autonomize themselves; the movement of exchange-value finally imposes itself on man. Now, could the economic relations replace the natural community? Or could this community be realized by gold, i.e. by autonomous exchange-value?

### ***C. Gold and Material Community***

Gold effectively tends to constitute itself as the material community: it permits the universalization of material exchanges in society, without individuals coming into contact.

"Here money appears in fact as the thing-like (*dinglich*) existing community (*Gemeinwesen*) outside them," (ibid. p. 881)

Marx makes the following remark in the *Grundrisse*:

"It is the elementary precondition of bourgeois society that labour should immediately produce exchange-value, thus money, and similarly that money should immediately purchase labour, and therefore the labourer, but only in so far as he alienates his activity in the exchange. *Wage labour* on the one hand, *capital* on the other, are therefore only other forms of developed exchange-value, and of money as its incarnation. Money thereby immediately and simultaneously becomes the *real community*, since it is the general substance for the survival of all, and at the same time the social product of all. But as we have seen, in money the community is at the same time a mere abstraction, a mere external, accidental thing for the individual, and at the same time merely a means for his satisfaction as an isolated individual. The ancient community presupposes a quite different relation to, and on the part of, the individual. The development of money in its third determination therefore smashes this community. All production is an objectification of the individual. In money (exchange-value), however, the individual is not objectified in his natural determination, but in a social determination (relation) which is, at the same time, external to him." (*Grundrisse* pp. 225-6)

The inability of money to found a stable community is due to the fact that, with money, exchange-value tends towards total autonomy, but without reaching it since it has not yet succeeded in subordinating the social movement. Nevertheless, the constitution of exchange-value in material community is the best guarantee of its autonomy.

### ***D. Capital and Material Community***

## 1) Predominance of the social element over the material element

This incapacity of money is directly linked to simple commodity production. In this, the material element predominates over the social movement; the labour process is still dominant:

"In the movement C-M-C, the material appears as the real content of the movement, the social movement only as the vanishing mediation to satisfy individual needs," (*Urtext* p. 925)

The search for use-value is still too determining in this historical period of production, therefore money is only a simple means. It is without doubt the general, social wealth against which individual wealth can be measured, but it is neither the goal, nor the content of the movement:

"The form C-M-C, this current of circulation in which money figures only as measure and as coin, thus appears as the mediated form of exchanging in whose basis and content nothing is changed." (ibid. p. 927)

Besides, this is a rigid form, since each element excludes the other. The particular commodity excludes money, the general commodity, which, in turn, must be replaced by another particular commodity. In fact, money can only have a negative autonomy: hoarding. Thus, as we observed in the first chapter, Marx defines the transformation of money into capital as follows:

"In capital, money has lost its rigidity and, from a tangible thing, has become a process." (ibid. p. 937)

In a parallel fashion the social element tends to dominate the material element. This is how Marx characterizes the movement M-C-M.

"In the real exchange of money for commodity, that is expressed in the form M-C-M, thus the real being (*Sein*) of the commodity is its use-value, and the real being (*Dasein*) of the use-value is its consumption, from the commodity realized as use-value must freshly emerge exchange-value itself, money and consumption of the commodity appear equally as a form of its preservation, thus of its self-valorization. Circulation appears by comparison to it as the moment of its own realization." (ibid. p. 939)

This realization requires, as we have seen, the complete subjugation of a particular use-value: labour-power. The social character of the movement reveals itself at this point. The exchange of money for labour-power determines the entire character of the capitalist mode of production. It is therefore a determined social relation, the relation capitalist-proletarian (man without reserves), that dominates the production of material wealth. Such a relation will, therefore, not be fortuitous or inessential, but rather, fundamental.

"In simple circulation, the content of the use-value was indifferent, the form economic relation fell outside. Here it is the essential economic moment of it (the form), While exchange-value is determined only by holding itself above a: in exchange, that exchanges itself with its counterposed use-value, according to its own form-determination." (ibid. p. 944)

"It is only the specific nature of exchange-value, which has been bought with money namely that of its own consumption, is the consumption of labour-capacity, production, objectifying labour time, exchange-value positing consumption - its real being as use-value is creating exchange-value - which makes the exchange between money and labour into the specific exchange M-C-M, in which the goal posited is in the exchange of exchange-value itself *and the use-value bought is immediate use-value for exchange-value, i.e. value positing use-value.*" (ibid. p. 946)

Exchange-value has subjugated the social movement. Men enter relations of production the goal of which is no longer use-value, but exchange-value. It can now establish a stable material community, i.e. no longer resulting from accidental relations.

## 2) Circulation and Material Community

The material community obviously, conditions the relations between circulation and production. Production is no longer simply posed alongside circulation; on the contrary, it becomes one of its moments. Commodities previously had been produced as particular values, and socialization was enabled by circulation, hence a common unity (money) was found. Now it is capital that posits them socially, and circulation is no longer as before a stage of their socialization, but rather a moment of their realization, of their metamorphosis, which, in reality, is the metamorphosis of capital itself, which is transformed from CC to CM, In fact, it is through circulation that the material community is founded - that it becomes necessary. We have seen the first moment: autonomization of money, which appeared as a theoretical process without contact with reality, so that the economic movement appeared to diverge from the social movement.

"The product becomes a commodity; the commodity becomes exchange-value; the exchange-value of the commodity is its immanent money-property; this, its moneyproperty, separates itself from it in the form of money, and achieves a general social existence separated from all particular commodities and their natural mode of existence." (*Grundrisse* pp. 146-7)

But this abstraction is absolutely necessary to prepare the other, practical, process: the real formation of the *Gemeinwesen*; in fact, above all, it is vital that the old social relations are smashed:

"The less social power the medium of exchange possesses, and at this stage it is still closely bound to the nature of the immediate product of labour and the direct needs of the partners in exchange, the greater must be the power of the community, which binds the individuals together, the patriarchal relation, the ancient community, feudalism, and the guild system." (ibid. p. 157)

However, while exchange-value is becoming a social force, it is stated that:

"In the case of the *world market* the *connection of the individual* with all, but at the same time also the *independence of this connection from the individual* have developed to such a high level that the formation of the world market already at the same time contains the conditions for going beyond it. *Comparison* in the place of real communality<sup>[6]</sup> and generality." (ibid. p. 161)

It is the period of the generalization and mercantile production: the golden age of the law of value and of the concepts of liberty and equality, hence of democracy (politics). Democracy is comparison *par excellence* However, its standard is abstract man, while the real content of man - labour-power - enters into the economic movement.

This last during the period of formal domination of capital, in which variable capital is the fundamental element. It is not yet a question of structuring a new *Gemeinwesen*, but:

"...certainly this reified relation is preferable to the lack of any connection, or to the merely local connection resting on blood ties, or on primeval, natural or master-servant relations. Equally certain is that individuals cannot gain mastery over their own social interconnections before they have created them." (ibid. pp. 161-2)

Besides:



"The strangeness<sup>[7]</sup> and independence in which it (i.e. the connection - ed.) exists *vis-à-vis* them, only shows that they are still occupied in the creation of conditions of their social life rather than having begun it on the basis of these conditions." (ibid. p. 162)

Before they can be transformed, the social relations must, in a certain sense, achieve their full development. The becoming, therefore, will be the universalization of the alienation of individuals and of social relations, so that in the end:

"These *reified* dependency relations also appear, in antithesis to those of *personal* dependence (the reified dependency relation is nothing more than social relations which have become independent and now enter into opposition to the seemingly independent individuals; i.e. the reciprocal relations of production separated from and autonomous of individuals) in such a way that individuals are now ruled by *abstractions* whereas earlier they depended on one another." (ibid. p. 164)

But let us return to circulation proper. It is precisely during its study that Marx shows how the material body of the community is erected. It has been seen that a notable difference between money and capital resides precisely in their differing behaviour regarding circulation. The former is abandoned and lost there, the latter is preserved and multiplies.

"The circulation of money, like that of commodities, begins at an infinity of different points, and to an infinity of different points it returns. Departure from a single centre to the different points on the periphery and the return from all the points on the periphery to a single centre do not take place in the circulatory process at the stage here being examined, i.e. its *immediate* stage; they belong, rather, in a circulatory system' *mediated* by a banking system. '... Circulation proper, nevertheless, begins only where gold and silver cease to be commodities.'" (ibid. p. 186)<sup>[8]</sup>

In other words, in the period of simple circulation of commodities, the movement of value is dispersed throughout the whole social body where it is able to penetrate. Evidently its lack of structure and mediation means that it can be interrupted, fragmented and so inhibited. With capital, the movement of value results in the formation of a centralized structure; there is a movement away from a central point towards the periphery, and a return movement. Circulation is mediated by the banking system. This implies that capital generates organs that regulate and control its life, its vital process, parallel to its progression. The process can neither be separated from social life, nor can it be simply superimposed on it; it must control it to ensure its own eternity, since it derives from a fundamental relation: wage-labour, i.e. the exchange with living labour. The history of capital clearly shows this progression, from the primitive associations to the great jointstock companies, which imply the existence of banks that centralize the life of capital, stock-exchanges, where various capital-values meet each other. Finally, finance capital realizes the most advanced concentration and therefore construction of the unity. Economic institutes appear along with finance capital, which concern themselves with the analysis of the market, plans for recovery and development etc.. This indicates that this impersonal being has ended up by creating organs which lay the basis for a certain consciousness of fundamental problems. Here is fully realized what Marx glimpsed in the *Grundrisse* at a given stage of his study of capital:

"...there opened up for us the prospect, which cannot be sharply defined yet at this point, *of a specific relation of capital to the communal general conditions of social production* as distinct from the conditions of a *particular capital* and its *particular production* process." (ibid. p. 533)

The theoretical process of exchange now has a content, it is no longer formed, because it is exchange of capital; although in different forms, in every pointmovement of the exchange, capital always appears: money capital (MC), commodity-capital (CC), productive capital (PC). It is a real metabolism of capital (cf. *Grundrisse*) Exchange no longer results in the domination of an extraneous element, which is

negatively posed against the movement in the sense that it is lost in it, while it is abandoned, there (i.e. the formation of money), but results rather in the growth of the advanced value, i.e. of capital.

### 3) Fixed Capital and Material Community

But this can only take place because capital has created its own base, replacing the bases of previous societies; fixed capital. This can either be value that has ceased to circulate and is in a sense deposited, because the weight of the use-value is too great for the exchange-value (just like a particle becomes sediment, and is thus deposited from the moment when its weight becomes effective, when no other force is capable of hindering it), or value that circulates very slowly. In the first case, it is the whole productive infrastructure erected over the centuries; in the second, the machines which enable the increase of the productivity of labour. In any case, it is the socialization effected by capital, as we had occasion to see in the course of the study of fixed capital during the period of real domination. Marx observes that:

"...this fixed capital being man himself." (ibid. p. 712)

This is exactly the moment when capital is constituted into community. The fundamental exchange no longer appears as an exchange between living and objectified labour, but is a nutritive exchange (*Grundrisse*) between circulating capital, which includes labour power, and fixed capital. Thus the economists can now theorize that an equilibrium between these two elements is required to avoid the crisis. Such a theory can only interpret the need for links between the centre and the periphery, between the surface and the interior of the material community; because this is how capital now poses itself.

"However, capital does indeed exist from the outset as One or Unity as opposed to the workers as Many. And it thus appears as the concentration of workers as distinct from that of work, as a unity falling outside them. In this respect, concentration is contained in the concept of capital - the concentration of many living labour capacities for one purpose; a concentration which does not in any way need to have been established in production, or penetrated production, at the origin. Centralizing effect of capital on labour capacities, or positing of itself as the existence of the independent and external unity of these many." (ibid. p. 590)

The entire movement can now be summarized as follows. During simple commodity production, exchange was the means of expropriating values. During capitalism, circulation enables the appropriation of a particular commodity, and the appropriation of value presupposes its consumption. But this consumption can only be realized productively (there are links between the social movement - the free worker - the movement of value exchange - production and consumption), hence the necessity of the immediate production process. As labour-power, man must become a commodity, so that there is not just appropriation, but also creation of surplus-value. Besides, the appropriation can no longer be direct, but indirect and mediated by the production process, the subordination of which was at first unnecessary, while now it is the primordial condition for the genesis of value. This is also why the act of exchange, the social relation, acquires a profound materiality, or, reciprocally, why the social form dominates the material aspect.

The *Results* allowed the clarification of the very nature of capital, its labour process and its valorization process. The latter becomes the essential element and the very nature of capital, i.e. it tries to free itself from the labour process, so as to be nothing other than valorization: autonomization of capital. As this is realized, capital appears:

"...an externalized., autonomized social power..." (Capital III p. 373)

Capital has grown at the expense of human labour, not just that of proletarians, but also of past workers. Now it is an animated monster<sup>[9]</sup>. Through the social movement, capital has seized for itself all the materiality of man, who is now nothing but a subject for exploitation, a determined labour time:

"Time is everything, man is nothing; he is, at the most, time's carcase." (*The Poverty of Philosophy* in MECW 6 p. 127)

Thus capital has become the material community of man. There is no longer any distortion between the social and the economic movements as the latter has completely subordinated the former. We saw how, in the preceding forms, the various communities tried to limit the development of exchange-value, because it undermined their foundations. In capitalism, on the contrary, it is precisely the movement of value which assures the domination of the community. This means that it has become master of the state, men's alienated community, or, if one prefers, attempts to conciliate antagonisms to such a degree that the state no longer appears as the power of a class, since it no longer needs to assure its own domination; even the ruling class is dominated. By now, capital only needs slaves.

"In bourgeois society, the worker e.g. stands there purely without objectivity subjectively; but the thing which *stands opposite* him has now become the *true community*, which he tries to make a meal of, and which makes a meal of him." (*Grundrisse* p. 496)

#### 4) Capital, Community and Politics

How could such a community be built, if not starting from the essential element of capitalist society: the relation between objectified labour (capital) and living labour (the proletariat), because this constitutes the meeting-point of the two movements: the autonomization of value and the expropriation of men, a point of convergence which could only be realized at the moment when man becomes commodity (hence a value which can no longer constitute an obstacle to the movement of value itself), and enters the production process not as an essential operative, who dominates this process, but as an object which itself enters the movement. And in fact, as we saw earlier on, in the first instance, capital can be defined by this relation, but that this fixes its reality. One must say that, on the contrary, capital is value in process. This social relation has lost its rigidity, it is in motion, and its arrival-point is the constitution of capital into community. This is realized through a deepening of the domination of dead over living labour. Social relations are totally reified at this stage; the final inversion is when social relations are posed as constituting the material community.

Further, this explains the eulogies heaped by the capitalists and their epigones upon labour. The capitalist period sees the glorification of labour, a labour which is entirely for capital. It is the recognition of the reality which is hidden under the mystifying veil: labour time is the creator of value. Finally, in the various theories of the association of capital and labour, there lies the expression of the necessary conciliation between the opposed poles of society, in order that it can be perpetuated. These theories are all based on Carey's *tour de force* which we mentioned in the chapter 'Mystification of Capital'; presenting antagonistic forms as forms of association.

Really such theories only translate this fact: a social relation has become a process; i.e. value that valorizes, and founds the community in which men are slaves. However, this slavery must be made tolerable, being presented not for what it is, but as a necessary and beneficial association with the monsteroppressor, which obviously is never presented as such. During the analysis of productive and unproductive labour, we established this result at which capitalist development arrives, and we showed how society is made hierarchical by capital: industrial feudalism. From this, however, there follows a very important consequence: the subjugation of politics by the development of capital. In fact, politics is the art of organizing men, but does not capital organize them, since it fixes them in determined situations?

It seems that capitalism now realizes what Marx called vulgar communism, except for the equality of wages:

"The community is only a community of *labour*, and equality of *wages* paid out by communal capital - by the *community* as the universal capitalist. Both sides of the relationship are raised to an *imagined* universality - *labour* as the category in which every person is placed, and *capital* as the acknowledged universality and power of the community." (MECW 3 p. 295)

This is why this question is clearly linked to that of the community. As with so many other problems, it is considered throughout Marx's vast work.

We have already indicated the link that Marx establishes between the law of value and democracy. Commodity production could only be developed with the generalization of the ideas of equality and liberty. Capitalism itself originally made democracy triumph:

"The sphere of circulation or commodity exchange, within 'whose boundaries the sale and purchase of labour-power goes on, is in fact a very Eden of the innate rights of man. It is the exclusive realm of Freedom, Equality, Property and Bentham. Freedom, because both buyer and seller of a commodity, 'let us say of labour-power, are determined only by their own free will. They contract as free persons who are equal before the law. Their contract is the final result in which their joint will finds a common legal expression. Equality, because each enters into relation with the other, as with a simple owner of commodities, and they exchange equivalent for equivalent. Property, because each disposes only of what is his own. And Bentham, because each looks only to his own advantage. The only force bringing them together and putting them into relation with each other is the selfishness, the gain and the private interest of each. Each pays heed to himself only, and no one worries about the others. And precisely for that reason, either in accordance with the preestablished harmony of things, or under the auspices of an omniscient providence, they all work together to their mutual advantage, for the common weal, and in the common interest." (*Capital I* p. 280)

But, as we previously explained, capital tends to dominate the law of value, and hence the proletarians (as soon as one passes into the sphere of production, 'where capital now penetrates, the proletarian can only expect "a tanning"). How does democracy present itself now?

"There is here therefore an antinomy, of right against right, both symmetrically stamped with the law of commodity exchange. Between equal rights, force decides. Hence, in the history of capitalist production, the establishment of a norm for the working day presents itself as a struggle over the limits of that day, a struggle between the collective capitalists, i.e. the capitalist class, and collective workers, i.e. the working class." (ibid. p. 344)

The history of capitalism is the history of the constitution of these two powers; capital, which founds its community, and provides itself with a superstructure of power: the capitalist state; and the proletariat, which constitutes itself founding a community 'which is grafted onto communism, imprisoned by capitalism. Marx makes this evident, and indicates what democracy becomes:

"But when the transaction (the labour contract - ed.) was concluded, it was discovered that he was 'no free agent', that the period of time for which he is free to sell his labour power is the period of time for which he is forced to sell it, that in fact the vampire will not let go 'while their remains a single muscle, sinew, or drop of blood to be exploited'. For 'protection' against the serpent of their agonies, the workers have to put their heads together and, as a class, compel the passing of a law, an all-powerful social barrier by which they can be presented from selling themselves and their families into slavery and death by voluntary contract with capital. In the place of the pompous catalogue of the 'inalienable rights of man' there steps the modest Magna Carta of the legally limited working day, which at last makes clear 'when the time which the worker sells is ended, and when his own begins'. *Quantum mutatus ab illo*" (ibid. pp. 415-6)

What interests us here is the formation of capitalist power<sup>[11]</sup>. The citation above shows the inadequacy of political democracy as regards the real movement. In fact, it is founded on the illusory sovereignty of man as an isolated individual, supposedly capable of dominating social relations, while it is precisely the latter which are becoming determinant. This develops during the period of the real domination of capital, during the transformation of the law of value into the law of production prices. It is therefore necessary that capital itself organizes men, or, what is the same thing, that the organization imposed on production is generalized over society as a whole: basically it is the generalization of the despotism of the factory. To understand this

phenomenon, one must bear in mind the whole historical movement. It has been seen that the economic movement, up until capital, tends to divide and separate men; capital, on the contrary, unifies them so as to put them under its domination. This means that politics was necessary for centuries to reunite what had been fragmented, or better, to limit the effects of the economic movement. With the domination of capital, politics no longer assumes the same role. It must become the expression of this domination. In other words, after this double movement - autonomization of value and separation of man from his community - the political movement increasingly sought a content and the economic movement a form. With the appearance of wage-labour, and thus of capital, the form acquires a content, man becomes a commodity. Still, capital can only tolerate this situation transitorily: it will create its own form. This is realized with fascism, which is the generalization of the despotism of the factory over the whole of society.

This assertion needs to be more precise. At the dawn of capitalist production, capital is just one fact in society alongside others, for example, landed property and artisans' production. Capital must fight these in order to assert itself. It is the moment when it tolerates political democracy, since it is required during the conquest of the state. There is the establishment of a kind of antagonistic division of labour. Capital regiments men inside determined relations which subject them to a certain mode of production; the state tries to govern the same individuals in the name of principles which are mostly in contradiction with socio-economic reality, as they have been inherited from previous forms.

Such a distortion cannot last. The concept of political democracy led to posing the necessity of a people's constitution to promulgate laws and to rule society, and the delegated executive power to make them effective. But who really constituted the people? Or, if the people truly were the authors of their own constitution, could not social evolution have produced, at a certain point, a contradiction between the constitution of the state of the people? Hegel resolves this problem by asserting that the people are necessarily the very principle of the constitution<sup>[12]</sup>. Marx declared, here Hegel is a sophist. In fact, reality is completely different. Who constitutes the people - this conglomerate of classes if not, as we have seen, capital? So it is no longer a question of the people, but of the proletariat, the middle classes etc.. But if capital is the true constitutive being, it is still and always capital that must animate the constitution. The old dualism is absorbed in the domination of capital. This is fascism. Capital has definitely conquered the state, and with it, the political movement assumes a form which is determined by the economic context. The true unities recognized as effective are no longer individuals, but companies, with their democratic duality bosses-workers, or capital-labour. Capital wants to emphasize by this an aspect of co-operation in order to negate the class struggle. Basically, fascism can be defined as a political form which manages a society that negates communism, while at the very moment engendering it. It is the political power of capital. Therefore, it cannot destroy the dualism of which we have spoken, but on the contrary, it materializes and constitutes it. It is not - as it is taken to be - the destruction of democracy, but rather its fulfillment in the form of social democracy. Finally, it is the means suited to conciliate the antagonism between social capital and particular capital.

The proletariat stands against capital which completes its domination by constituting itself into a material community. The proletariat's power is created by capital itself. Capital is the cause of its growth and unification, and it is also capital that creates the objective base of the new social form: communism. Thus the party appears as the new human community, the superstructure of power of the new social form, which must be liberated from the domination of capital<sup>[13]</sup>. Therefore the party is the end of politics. The only question that is posed is the social question: but this society requires a political act to be liberated: seizure of power by the proletariat, as the beginning of the dictatorship of the proletariat and thus of communism<sup>[14]</sup>.

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*Note on the forms of value*

Contrary to what we asserted in 1966 (cf. p. ii), for Marx, the problem was not that of historically expounding the forms of value, but simply of expounding them. This assertion was too historicist. In *Capital* Volume I Part One, there is an analysis starting from the commodity - apparent phenomenon which lies on the surface of bourgeois society - which brings to light the commodity and, in a certain sense, produces the concept of value. Now every real concept contains within it a process, and so it is the process of value that Marx expounds and develops, abstracting it from the already produced concept. Hence the forms like a Russian doll: the money form is included in the total or developed value form, and the latter in the simple or accidental form<sup>[15]</sup> which we have intentionally presented in the reverse order to Marx's. It is absolutely evident that, to expand the forms of value, there is no need to recall history. Marx used Hegel's *Science of Logic*. In the analysis of exchange-value, in chapter two, on the contrary, history is in operation. The forms of value are still explained, however, as one says today, in a diachronic order. Every being produces, includes in itself, its own diachrony. We will not deal with this problem here in an exhaustive fashion, but still to grasp better our way of conceiving of the development of the value form, which is identical to Marx's, we can cite this passage from the *Grundrisse*:

"On the other hand, much more important for us is that our method indicates the points where historical investigation must enter in, or where bourgeois economy as a merely historical form of the production process points beyond itself to earlier historical modes of production. In order to develop the laws of bourgeois economy, therefore, it is not necessary to write the *real history of the relations of production*. (*Grundrisse* p. 460)

Regarding the previous chapter, we wish it to be carefully noted that we are in no way expounding a succession of modes of production, which cannot be based solely on the historical becoming of value. We only wish to specify the historical moments in which certain forms of value could be effective, and how the communities resisted or succumbed to its movement, until value was constituted into the material community in the form of capital.

The chapter on 'The Commodity' in *Capital* Volume I especially section 3 is of primordial importance for understanding the work of Marx in its entirety. Only Althusserian stupidity can proclaim that there is no need whatsoever to read it. But we shall return to these problems later.

(note of March 1972)

### ***Note on alienation***

The developments of the two previous chapters are sufficient to demonstrate what we wished to demonstrate at the time. Nevertheless, given the inflation of the meaning and meaninglessness experienced by the concept of alienation, and all the concepts linked to it, we must make some additions.

The question of alienation can only be treated exhaustively if linked with the question of the *Gemeinwesen*. We shall limit ourselves to some observations that will allow us to make certain terms more precise, and to justify our translations.

There is no alienation except when the human being has been separated from his natural *Gemeinwesen*; from the time that there are individuals and classes that autonomize themselves. In fact, the concept of alienation implies the process, at once historical and contemporary, or, if you like, diachronic and synchronic, through which the human being (being for itself) becomes another being, who is not or who is no longer present as *Gemeinwesen*. Since if he were able to be, the alteration effected would not be incompatible with his *Gemeinwesen* and so the alienation would be blocked. This means that the *Gemeinwesen* no longer exists in an immediate way, but is represented; the individual, moreover, no longer has a total activity, but a particular one. He behaves, for example, as a worker.

More precisely, the existence of alienation, a concept marked by a value judgement (the other being is one fallen, mutilated, abused with respect to the initial being) necessarily means that a break-down has occurred



in the mechanisms of constant re-insertion of the being into his own community, to avoid losing him. Thus this can only be produced with the beginning of a movement over which men will have no control, which will autonomize itself and dominate them, despite the fact that it was born in their midst, despite the fact that it is the product of their own activity - the movement of exchange-value.

Starting from this, we can establish the relations between the various moments of alienation, moments which have frequently been presented independently. The movement of autonomization (*Verselbständigung*)<sup>[16]</sup> of the product generated by human activity, and the social relations that result from it, is linked to the movement of separation-split. Further, alienation also proceeds together with the dispossession-expropriation (*Enteignung*), while the externalization (*veräußerung*) of capacities in the course of the manifestation (*Ausserung*) of the human being is in reality deprivation (*Entäußerung*). Simultaneously, there is an estrangement (*Entfremdung*) due to the fact that the products became foreign to the producers, and the latter foreign to their own community. The consequent movement is an inversion-reversal (*Verkehrung*) which means that things become subjects (*Versubjektivierung*) and subjects become things (*Versachlichung*) which constitutes mystification, whose result is fetishism of the commodity or of capital which makes things assume the properties-qualities of men<sup>[17]</sup>.

So at the beginning there are beings who dominate things; at the end things become beings. This is the total movement, which arose over the millenia, of the movement of alienation. Nonetheless, this is only a negative aspect of the phenomenon: the total loss of man. There is a positive aspect, the growth of the productive forces which, at a certain level, create the "possibility" of an emancipated being, or of another social form - communism; just as at the beginning of the movement of alienation, the positive side was the production of the individual.

Thus the becoming of the phenomenon is not posited in a simplistic manner, following a single determination. This differentiates Marx's position on alienation from the positions of the theologians or of certain philosophers, who only conceive of a regressive development, a loss, which makes it necessary, at a given point, for God to intervene with his redemption to restore the being. Marx's position is equally clearly differentiated from the theory of the enlightenment, operative especially among the French philosophers of the eighteenth century, according to whom the becoming of man is an indefinite progress (in the final analysis, skipping the question).

Another difference results from the fact that the possible can only become reality through a revolution. Only the active intervention of men can block the movement of alienation. Also the existence of this possible, for about fifty years, leads one to think that the development of men also has another road to its realization; their destruction, and also leads one to try to see how the autonomization of capital, its constitution into material community etc., inhibits the realization of the possible, i.e. hinders the arrival of communism.

The presuppositions of alienation pose another problem: how did the community and its individual members appear? They must certainly have contained elements onto which the process of alienation could graft itself. Marx observes that man is a sentient activity, that he has a nature external to himself and that he is at once individual and *Gemeinwesen* (individual immersed in it, not detached, initially not autonomized, since the historical movement in the West is his production). To satisfy his needs fully, man develops an activity which allows him to appropriate external nature. Marx also defines property as originally being a mode of behaviour. It is the splitting of the community which will enable the autonomization of the various elements (above all, the formation of private property), and men, either as *Gemeinwesen*, or as individuals, will no longer be in a position to dominate their life process. Human activity will be increasingly divided, and this proceeds together with the division of labour, increasing with it. Men become workers (and non-workers), separated by their work, etc..

Even if we are all agreed that Marx has a coherent discourse about human alienation, many maintain that he is mistaken when he applies the same concepts to commodities. Now, when Marx analyses commodities - at the beginning of the *Contribution* and at the beginning of *Capital* he does not do so by abstracting them from their supports, men. The latter are no longer the subjects touched by alienation, but instead



commodities are touched, otherwise the inversion of which we have spoken would have no reality. The phenomenon which we have described for men is repeated for commodities, but integrating the former, who are, as it were the "superseded" of the movement.

Marx notes:

"Things are in and for themselves external to men and therefore externalizable (*veräußerlich*). (*Capital* I p. 182)

Here there is the clear appearance of the relation between exterior (*ausser*) and externalization (*veräußerung*) which can also be translated by alienation in the strict sense of the word. It is a question of yielding to another, but one can observe that he who yields is deprived, and he who receives is enriched. Thus there is a different becoming. If there is an exchange between equivalents, there is finally a levelling of losses and gains, but there is also a qualitative change that remains. In any case, we return to our assertion: men are dominated by commodities. As far as regards the latter, the movement which crystallizes the potentialities of the individual no longer exists, but instead the movement which distances and places the products outside the sphere in which they were produced, outside the sphere of the man who has worked. It is because the commodities are exterior to him that someone else can take possession of them. Again we return to the process of separation.

The movement of the alienation of the commodity is possible because of its double nature: use-value and exchange-value. These two determinations are separated and then recomposed. in their unity during the exchange process. This is what Marx explains in *Capital* Volume I, Chapter two, 'The Process of Exchange'.

All commodities immediately lose their character of use-values, are deprived of it (*Entäußerung*) and this is transferred to the general equivalent, which acquires a universal use-value, through which commodities assert their own exchange character as the exchangeability-continuum. But this movement is a double one, because the commodities also lose (are deprived of) their possibility of being equivalent, and this determination is fixed in the excluded commodity, which becomes the universal commodity, the general equivalent. In the first case, the particularities are cancelled; in the second, they reappear in the same way in which the use-value, at the beginning of the exchange, was negated to reappear at the end:

"Hence commodities must be realized as values before they can be realized as use-values."  
(*Capital* I p. i)

Henceforth, their alienability (*Veräußerlichkeit*) is completely asserted. This is to say that, with the realization of the possibility of leaving the sphere in which they were produced, and to be transferred into another, there is alienabilization (*Veräußerlichung*) or, they very act of rendering alienable. Thus there is certainly a relation between the process of separation and that of alienabilization, in the same way in which the theory of the break in Marx led Althusser to produce his alienation and insanity.

This phenomenon continues during the genesis of money. Marx states in particular:

"The price form therefore implies the alienability of commodities against money and the necessity for this alienation." (*Capita.*] I p. 198)

It is useless to reproduce the whole demonstration; it suffices to indicate the essentials. The result of the exchange process of commodities is the formation of something different: money, which clearly is in continuity with the commodities, although counterposed to them. Further, money will tend to replace the simple world of commodities (commodities as totality) and become, starting from its determination as universal currency, the material community which also tends to replace the community of men, because it must be the representation of the movements of men as beings, and representation of the movements of their autonomized products, commodities. Commodities must acknowledge each other as value so that

there can be the uninterrupted movement of value, i.e. so that value is not lost. it must be able to recognize itself. in a community-continuum. Commodities must then be mirrored in some way, in their common being, money.

We saw that it was impossible for gold to realize a stable material community. We shall not insist on this point, but instead indicate another result of the movement analysed above: fetishism, to which we shall return . propos the fetishism of capital.

Capital enables the formation of the material community. The movement of value is no longer blocked, because capital is the value-substance which has become subject. The concept. of alienation, with the concepts which it implies, ought no longer to be operative at the levelof capital. But those who assert this have not understood, among other things, the development of capital as material community and its anthropomorphosis.

We must firstly take into account the new determinations linked to capital understood as value in process, before rapidly analysing the relations between capital and alienation. Capital is valorized in the immediate process of production. But from the moment when it leaves this sphere, the possibility of devalorization appears, which is manifested in the fact that capital assumes a materiality, becomes commodity-capital. In other terms, this expresses the alienation deriving from objectification, as Hegel would. have it. Objectified capital negates itself. But, as we have seen, it is a temporary negation, since it abandons this form to return to that of money, which is its adequate form, and to rediscover an existence conforming to its concept, so that it will be able to effect its realization from  $c$  to  $c + \Delta c$ , on condition that nothing obstructs its entering another production process. However, devalorization occurs in another way: capital loses its substance, is devalorized, during the circulation movement and during the passage from -one process to another, It overcomes this loss by becoming the reified (*sachlich*) autonoinized form. Hence it has become other, since it was originally substance-object with its adequate form of representation in money.

The unusual moment of this becoming is when it takes the form of interest be bearing capital, the moment when, like the commodity, it assumes a double character of use-value and exchange-value; thus it becomes alienable (it is its alienabilization = *Veräusserlichung*). This is so because it is a particular capital which must pass from one sphere to the other. All that was said about men, then about commodities, is again valid. Alienation will be real to the extent that the particular capital is unable to recognize itself, rediscover itself in capital as the total community. Besides, the community does not exist in an immediately unitary manner, and the movements of different capitals, along with the devalorization process, loss of value substance<sup>[18]</sup> , risk disaggregating it. The formation of fictitious capital allows these different forms of existence to be held together; it becomes their common representation. We can state once more that this is clearly alienation. Here an indefinite movement commences. Capital lauches into increasing fictitiousness to avoid becoming other, its negation, and the basis of the phenomenon progressively tends to disappear since, as Marx said, it becomes the aconceptual form which has lost all mediating process. Mystification is the movement of the disappearance of mediations. At the extreme, it is possible for a hiatus to appear between capital in the form of the socialized thing, in the form of value, and fictitious capital; therefore it would no long-' er be possible to accomplish the process, which would be the real "crisis" of capital, the symptoms of which are making themselves felt.

The becoming of capital only exacerbates all the previous alienating characteristics of men. The process of separation, one of the conditions of alienation having become its result, is again aggravated. Man is first separated from his community, then from his means of production and his portion of activity, work is taken away (he is expropriated of his reality); later this involves his life outside the sphere of production. One should also recall that, at this level, appropriation no longer takes place through an intermediate element, work, because it bears on the labour of others. Hence the externalization process is reinforced:

"Hence the rule of the capitalist over the worker is the rule of things over man, of dead labour over the living, of the product over the producer, here in fact the commodities that become instruments of rule over the workers (but merely as the instruments of the rule of *capital* itself), are simply results of the process of production, its products. In material production, in

the real social life process, because this is the process of production, there is the *same* relation which religion represents in the *ideological* field, the inversion of subject and object and *vice versa*. Viewed *historically*, this inversion appears as the essential transitional point to obtain at the cost of the majority the creation of wealth as such, i.e. the relentless productive forces of social labour which alone can form the material base of a free human society. This antagonistic stage cannot be avoided more than it is possible for man to avoid the stage in which his spiritual energies are given to a religious definition as powers independent of him. It is the estrangement process (*Entfremdungsprozess* of his own work." (*Results* p. 990)

The proletarian (what man has become) can no longer recognize himself in a human community, since it no longer exists, or rather, it has been absorbed by the finished capital fetish, since fetishism is exactly the attribution of human qualities to a thing. This is due to the fact that he is no longer only dominated by the result of his activity, but also by the condition of accomplishing it, the means of production which have become capital. Thanks to this, capital can pump out of proletarianized men all their power and capacities. Men who have become pure spirits can rediscover themselves in the capital form without content. We can see by this the extent to which it is precisely the mediations, god, money, capital, that distance men from each other and unite them in a community other, because the mediations pose as immediate-facts: tangible, intangible beings.

We must briefly examine how men struggle against alienation better to perceive what alienation is. Immediately we must remember that, inside primitive communities, there is only the possibility of an alienation, of a becoming other, which would be a mutilation, because the community manages to maintain its cohesion and permanence by means of many mechanisms. For that matter, it is important to remark that myth in these societies allows thinking and domination of the discontinuity as well as the continuity. Originally myths tended to maintain the permanence of the leap from nature to human nature (from nature to culture, as some say), it is the permanence of a discontinuity; besides, myths dominate all that can alter the individual during his own becoming, because myth is a paradigm of life; and in this sense appears as a constraint or, at the extreme, poses as the true subject or substance of which man is only the accident. The material base of this is due to the fact that the community either tries to its utmost to annihilate the effects of any event which could be the starting-point of its decomposition, or integrates and assimilates these effects (really in the biological sense of the term), so what was foreign, other, becomes body of the *Gemeinwesen*. This power of assimilation, of endurance, of primitive communities can still be seen in India, where, for example, all the religions have generally been absorbed by the old cults of primitive communism. None of them has really emerged as the victor over these old representations throughout the sub-continent. These societies tend to dominate their history, leading to theories on the cyclical nature of time which were produced to explain their mode of being.

We believe that myth is the representation of the *Gemeinwesen* and the individual being of the community rediscovers himself in this representation (which is more or less immediate), thus effectively welding him to the community.

More precisely, we would say that man as a sensible activity and with a nature outside himself (this is clear immediately with nutrition, food is outside man) needs to appropriate external elements so as to accomplish his life cycle. Originally the individual being did so as a member of his community, and it is more correct to say that that it is the community which reproduces itself and, by so doing, reproduces all its members. But representation is born from this separation and sensitivity. It can be said that, in this historical epoch, individual man depends on nature, but that, thanks to his community, this dependence cannot be transformed into alienation.

The possibility of rediscovery, of recognizing oneself, is lost when the communities are destroyed, and hence the necessity to reform it in other forms: religion<sup>[19]</sup>, state, literature, art. In a very schematic manner, one can say that men used all the resources of their activity to hinder the results of alienation. Men were already on the field of alienation, so that the autonomization of their activities tended to be opposed to those which subjugated them, leading to a redoubled alienation. This means that it is absurd, to envisage a particular alienation, or to seek for the material base of alienation: it is the result of a total process.

Men envisaged dominating the movement of alienation even on the material level, on the field of economic and social relations. But each time the effects were felt even more strongly at the end. If men gave up to the movement of exchange and profited from the riches they could recuperate, assuming that separation also means reuniting, but from that recognized the necessity to submit themselves to the movement they wished to block, in order to gain these riches. They could tend towards the same objective by launching out into hoarding: an attempt to dominate gold as the community, as the general representation. Henceforth, as Marx remarked, all the feelings and aspirations (more than just their activity) are mobilized to attain this goal. Man deludes himself with hoarding into thinking that he imprisons the social power and the mirror of things. Finally, man can purely and simply refuse all the productions of the world in order to avoid, through total renunciation, the cursedness of money. This simultaneously leads to refusal of all enjoyment, to founder in generalized asceticism, as alienating as the unbridled enjoyment of Don Giovanni, for example. Besides, such men are only possible on the basis of a society still not dominated by capital.

With the development of the capitalist mode of production, the representations which tended to place themselves outside the material domain, the domain of socio-economic relations, themselves dominated by the movement of value, are seized upon by capital. Capital realizes philosophy and art, as well as religion, as Marx shows in particular in the *Theories Surplus Value* Part Three (p. 448).

The moment when this absorption is possible occurs with the development of credit:

"In credit, the *man* himself, instead of metal or paper, has become the *mediator* of exchange, not however, as a man, but as the *mode of existence of capital* and interest. (...) -With the credit relationship, it is not the case that money is abolished (*aufgehoben*) in man, but that man himself is turned into *money*, or money is *incorporated* in him." (Comments on James Mill *Elements de l'Economie politique* in MECW 3 p. 215)

Man is totally lost, and when he thinks that he can rediscover himself in the antagonistic representations of capital, he is still further absorbed by his enemy, who has become the mirror of all representations and who also has become myth. The capitalization of what seemed by its nature to be irreducible to such a transformation, implies the formation and generalization of fictitious capital. This acts as the mediation unifying all the moments of capital and, as an assimilation process, of appropriating everything external, foreign, to it. This is why the real domination of capital is simultaneously like a "beyond" of capital (it has gone beyond its limits).

The proletarians set up unions and parties in which they could rediscover a certain community outside capital. Now it is capital that organizes men and all organizations become gangs-rackets directly subordinated to capital. This is delinquency and madness at its extreme. Both are the final moments of speculation inherent in capital. Besides, madness is linked to the fact that man is completely alienated, has become other, can only be at present becoming mad, in the purely medical sense of the term. Madness has fled in front of the reality of capital. Man imprisoned in his being other can therefore neither rediscover, nor return to the original being. Madness is a kind of reabsorption of becoming.

The movements of splitting-separation and of autonomization are now at their peak. The split which took place on the outside ( separation from the means of production) becomes internal. Proletarians who reject work-activity (even if they still do it) lead a double life and tend to schizophrenia. They are stripped of their activity, which is restored to them in the form of representations; the movement of alienation no longer bears on the being or the having, but on appearing: their life is organized for them, and thus they increasingly tend to perceive of themselves as being thrown into non-life. Again schizophrenia develops on the basis of the break (*Spaltung*) which man cannot dominate; the elements separated by it tend to autonomize themselves and seek to pose as the real being.

Besides, there is no longer any possible identification in given men, since capital has destroyed the human community, leading to the conflict of different generations: young people see in their relatives the alienated people they refuse to become; they feel in them the reification and the mechanization, hence the aspect of the revolt of life, of universal revolt of young people who take up every struggle against capital as a

totality, hence also the revolt of nature through men as such against the despotism of capital. This leads to increasingly irrational (in relation to the norms of this society) aspects that this revolt adopts. Perhaps it is only in an act of "madness", that humanity will be able to liberate itself. In any case, madness is only a problem when capital has arrived, as can be seen by reading *History of Madness in the Classical Age* by Foucault; the troubles of representation can be well translated as the confusion of words and things!

However, despite becoming fictitious, capital only manages to master its anthropomorphosis with difficulty. It has become man to dominate man. Thus it is forced in a contradictory manner to reintroduce something that it had expelled: human desire. Again there is a type of irrationality; it is the becoming of capital. Marx shows where interest-bearing capital is irrational, 'nevertheless it is generalized. Thus it is not only the rational in capital that becomes effective, but also the irrational.

So there is therefore no human reference, rational or irrational, everything has been embodied by capital, hence 'the deep disarray of our epoch. However, that does not hinder the ever present manifestation of the emergence of communism (it is also an important element of the irrational) and proletarians can find a lever for their struggle against capital in the perception of this. It is also possible to draw strength from analysing how this situation was reached. Here the historical study intervenes. For Marx, history is not a *deus ex machina*, but is important to understand movements which are abolished in the production of money and capital, for example, and have created their own magic. The study of history enables one to dissolve the mystification and, thereby, to allow for the reemergence of the real authorsactors, the men defined each time by the mode of production in which they lived. Presently, the study of the formation of the real domination of capital over society lays bare the reality of the proletarians and their struggle against capital and work, against the ideologies which are the ideal functions of the capital fetish, because abstracting from the history of men, they are ideas reduced to the state of fetishes (so structuralism is the theorization of the fetish conceived of as reality, of non-history, of its disappearance; the structure is what can explain everything by itself; it is a neutral thing, innocent, tangible-intangible; it is the congealed alienation of men correlating to the eternalization of capital).

Thus, by correctly placing every concept, we could refute the reduction of Marx's theory to a simple economism of seeking the economic basis of alienation, as well as the ideological-idea 1 reduction (the former being material ideology) which wants to make alienation into process concerning the spirit alone or which would be consubstantial to man.

In communism, humanity<sup>[20]</sup> dominates its production and reproduction as well as its history; there will be becoming and becoming other, but no longer alienation. Social men, who will simultaneously be *Gemeinwesen* (which will be the human being) will find at the end, in the results, of their process of global activity the presuppositions of the process to come; they rediscover themselves, then, as *Gemeinwesen* and individualities, in their multiple activities, and they will integrate their objectifications and externalizations; there will no longer be an inhibition to their human becoming. They will recognize themselves in the transparency of their relations, activities and products. Their *Gemeinwesen* (human being) will be their own mediation.

(May 1972)

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1. This mystification of the French revolutionaries by the historical movement is dealt with by Marx in his philosophic works, the *Urtext* and in the 'Isolated Fragments' of the *Results*. Cf. also the study on the French workers' movement. (This study, begun in 1959, remained incomplete. Only the first part was finished and published in *Invariance* Serie I, no. 10. We should note that the ruling class was as mystified during the coming of fascism. Fascism presented itself as an ar man, the operator of a social transformation to take men beyond capitalism; likewise, it originally rose up against capitalism as a worldwide phenomenon. In fact it permitted the perfect realization of the real domination of capital and was one of the essential elements for the generalization of it on a world scale.) (Note of May 1972)

2. Cf. the *Grundrisse* and the unfinished text of Bordiga *Proprieta e capital* on this question. (*Proprieta e capitale* appeared in *Prometeo* serie I, nos. 1013, serie II nos. 1-4 (1948-52)).

The essential elements of this work are:

a) the analysis of the evolution of southern Italy, which Bordiga did not characterize by the continuation of precapitalist forms of production and by a return to feudalism; for him the Nezzogiorno is an area in which capitalism has long since developed, and is in fact the area, as Engels too observed, where it first developed.

b) Monopoly is not a recent phenomenon in the life of the capitalist mode of production: "Capitalism is a class monopoly, and all the capital accumulated is accumulated increasingly as the endowment of a ruling class, and not that of given individuals and firms."

c) the modern tendency of the enterprise without property: "The modern state really does, not have a direct economic activity at all, but always delegates it through contracts and concessions to capitalist groups."

d) It is not a question of the partial subordination of capital to the state, but of an ulterior subordination of the state to capital.

e) "...today national bourgeois classes no longer exist, but a world bourgeoisie . ... There are *national states* of a world capitalist class."

Besides, there can also be a capitalist mode of production without a capitalist class. This problem was dealt with especially *a propos* the economic and social evolution of the USSR (this theme was later the centre of other studies by Bordiga

f) indication of the fundamental characteristics of communism. Note of March 1972)

3. It should also be noted that in Marx appropriation (*Aneignung*) is quite similar to what others call assimilation, i.e. in a certain way the movement which transforms the exterior thing into a thing for the subject, which implies possession (*Besitz*) not property (*Eigentum*) (Note of May 1972)

4. Note the difference: in capitalism, the comparison of commodities is a way of realizing a profit, once the surplus-value has been extorted from the proletariat.

5. *Zusammenhang*, which we previously translated as relation, also means linkage, connection etc., and must be included in a collection of relations of dependence between beings. *Ensemble social* or *complexe social* used to translate it in the Editions Sociales edition seems valid, (Note of May 1972)

6. *Gemeinschaftlichkeit* implies the idea of the possibility of forming the community (*Gemeinschaft*) (Note of May 1972)

7. *Fremdartigkeit* literally means alien (*Fremd* = alien) by nature, hence bizarrerie, different nature, heterogeneity etc. (cf. the dictionary!) Marx wished to say that the ensemble of relations form something external to individuals, that this ensemble is alien to them, there is something of a *hiatus* between the individuals and those relations. Externality is a state, we distinguish it from estrangement (= *Entfremdung*) which most translate as alienation. (Note of May 1972)

8. This is a fundamental remark, renewed by Marx in his study: "The circulation of money began at an infinite number of points and returned to an infinite number of points. The point of return was in no way posited as the point of departure. In the circulation of capital, the point of departure is posited as the terminal point and the terminal point as the point of departure." (*Grundrisse* p. 516)

9. This aspect of capital was studied with the help of extracts from the *Grundrisse* published in *il programma comunista* no. 20, 1957. (French translation in *Invariance* Série I, no3, pp. 82-110)

10. "Although on the basis of capitalist production the social character of their production confronts the mass of immediate producers in the form of a strict governing authority, and the social mechanism of the labour process has received here a completely hierarchical articulation - though this authority accrues to its bearers only as the personification of the conditions of labour *vis-à-vis* labour itself, not to them as political or theocratic rulers as in earlier forms of production - the most complete anarchy reigns among the bearers of this authority, the capitalists themselves, who confront one another simply as owners of commodities, and within this anarchy the social interconnection of production prevails over individual caprice only as an overwhelming natural law." (*Capital* III p. 1021)

11. Regarding what forms the proletarian power, Marx always insisted on the organization of the class as the only real force against capital. The class organizes by constituting itself as a party. (Cf. *Address and Provisional Rules of the International Working Men's Association* (1864) and *Considerations on the Programme of the French Workers Party* (1880) for example.)

12. "That the constitution which was the product of a bygone consciousness can become a heavy fetter on an advanced consciousness, etc. etc., these are surely trivial truths. What would really follow would be simply the demand for a constitution which contains within itself the designation and the principle to advance along with consciousness, to advance as actual men advance, this is only possible when 'man' has become the principle of the constitution. Hegel here is Sophist. (*Contribution to the Critique of Hegel's Philosophy of Law*, in MECW 3 p. 19) "If the constitution is not merely to suffer change; if, therefore, this illusory appearance is not finally to be violently shattered; if man is to do consciously what otherwise he is forced to do without consciousness by the nature of the thing, it becomes necessary that the movement of the constitution, that *progress* be made the *principle of the constitution* and that therefore the real bearer of the constitution, the people, be made the principle of the constitution. Progress itself is then the constitution." (ibid. p. 57)

Now this is, in a different form, the illusion of indefinite progress which is the basic principle of the present-day constitution!

13. Marx insisted several times on the fact that capitalism engenders communism. This exposition would be over-lengthened by showing this in detail with the facts of recent capitalist development. The two citations below are enough to confirm our statement:

"On the other hand, if we did 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." (*Grundrisse* p. 159)

"Concerning the fundamental ideas about the *thing* I believe that I am not incorrect when I detect an apparent omission in the considerations expounded in your preface, that is, the failure to prove that the *material conditions* for the emancipation of the proletariat are generated spontaneously through the movement of capitalist production." (Marx to Cafiero 29.7.1879. in MEW B. 34 p. 384)

14. It may seem that our preceding analysis has somewhat omitted the state. That would be, however, to be restricted to the surface of phenomena, because we have shown the place of the state in the total process of social life, dominated by capital, at the end of the chapter 'Productive and Unproductive Labour'. Also it is implicit in the whole work on the *Results* that the state becomes a capitalist enterprise. However, this calls for complementary specifications, which we shall give later. We did not do so at the time because we wished to take up the whole of the work of Marx and Engels on the state. Regarding the latter, it seems that his theory of the state as presented in the *Anti-Dühring* is valid only for the formal domination of capital over society; "The modern state, whatever its form, is an essentially capitalist machine, the state of the capitalists, the ideal collective capitalist." (*Anti-Dühring*, London n.d., p. 313) Engels only provides evidence on the concentration process of such a kind that he conceived somehow of a unitary capitalist society dominated by the capitalist state. But the community of capital is an antagonistic one. On the one-hand, there is the material community which replaces old communities; on the other hand, different quanta of capital, each of which tends to pose as the community. The state too is a quantum of capital which, like all the others, wishes to be the community. The community's becoming is favoured by the installation of a despotism of capital over society and because the state is the essential mediation for the realization of fictitious capital: it materializes the 'fiction' of capital and so renders perennial its domination. What is wrong in Engels's position is that he autonomizes the state too much. (Note of May 1972)

15. "The whole mystery of the value form lies hidden in this simple value form." (*Capital* I p. 139)

16. Rubel translates the sentence "*So wächst die Macht des Kapitals die im Kapitalisten personifizierte Verselbständigung der gesellschaftlichen Produktionsbedingungen gegenüber den wirklichen Produzenten.*" (MEW B. 25 p. 2714.) in this way:

"*Ainsi grandit la puissance du capital c'est à dire l' alienation personifiée dans le capitaliste des conditions sociales de la production vis-à-vis des producteurs réels.*" (Thus the power of capital grows, that is the alienation personified in the capitalist of the social conditions of production vis-à-vis the real producers.) (*Oeuvres; Economie* II p. 1044), and notes on page 1769 that "*Verselbständigung* means separation as well as alienation." He should have said which presupposes the separation of capital vis-à-vis the production process which engendered it, and implies the alienation of the producer or of capital, since the latter can become other. That means that if there is autonomization, there is a possibility of becoming other, so an alienation - beforehand, the producers were united with their conditions of production, capital separates them - of such a kind that we would prefer to translate the sentence as: "Thus as the power of capital grows vis-à-vis the effective producers - so does the autonomization (*verselbständigung* personified by the capitalist - of the social conditions of production." Autonomization is a fundamental mediating moment of the externalization and reification, and so too of effective alienation. What follows in Marx confirms our suggestion:

"Capital shows itself more and more to be a social power, with the capitalist as its functionary - a power which no longer stands in any possible relationship to what the work of one particular individual can create, but an alienated, autonomized social power, as a thing, which confronts society, and as the power which the capitalist has through this thing." (*Capital* III p. 373)

17. "But this relationship of reciprocal isolation and foreignness does not exist for the members of the natural *Gemeinwesen* whether it takes the form of the patriarchal family, an ancient Indian commune, or an Inca state." (*Capital* I p. 182). This foreignness implied by the appearance of the commodity, which is at once use-value and exchange-value, is the point of departure of alienation. We should note here that the *Economic and Philosophic Manuscripts* and *Capital* are complementary.



18. Let us also recall what was previously said, that the socialization, which is the goal of the total process of production, is a negation even of capital. This becoming other has constantly to be negated if capital is to continue to develop.

19. Religion, as the word suggests, links beings; It only appears when the activity of men has been fragmented, like their community was fragmented. It readopts the rituals, magic and myths of previous societies. Before there was no religion. Religious sects also manifest the will to establish a previous community, and they are mainly clandestine and secret. The state, on the other hand, favours a religion that can bind together the different classes in society. Hence the special relation between the state and this religion, and the various heresies, which are more adequate representations for the oppressed classes. The class struggle thus is manifested also as a religious struggle between the established religions and the heresies.

If one accept as correct the etymology for the word religion given by E. Benveniste, who states that religion "is linked to retie, recall, readopt a new choice, return to an earlier synthesis to recompose it" (*Le vocabulaire des institutions indo-europeennes*, Ed., de Minuit, t. 2, p. 266), this does not stand in opposition to what we have said. However, over time, religion has really meant: tie the faithful to their god and, this too, link the faithful to each other.

20. Evidently the pitfalls of language cannot be avoided. The terminology of our exposition is marked by a very old moment of human alienation: that of the subjugation of women. But once the reader knows that we are completely convinced of the need for their liberation and that not to make them into men, but so that they can flourish according to their own determinations which have always been inhibited, he can mentally correct what is compartmental in our exposition due to this fact. The emancipated species will produce a new language where men and women will be able to say, understand, perceive and recognize each other in the fullness of their finally realized liberation.

## **Chapter 7: *Communism and the intermediary phases between capitalism and communism***

### I. General characteristics of the transition between the two forms of production

#### II. Formal domination of communism

#### III. Real domination of communism

##### i. Note on the periodization of communism (1972)

##### ii. Note on communism and Russian society (1972)

##### iii. Note on imperialism and formal domination of communism (1972)

Capital tends to negate value, that is, of the base on which it has erected itself; to the negation of classes; it drowns the proletariat - producer of surplus-value - in the mass of those who realize it; it tends to autonomy and to make people, believe, during its domination, that its production has the goal of man himself (theory of needs). It is total mystification, in which man the slave who produces and consumes is presented as master; but this is because, in reality, the real master, capital, cannot liberate itself and make itself totally autonomous with respect to labour-power. Hence crises. During them, capital strikes at its restricted base and thus makes the reality rebound, that has been mystified: only the proletariat produces surplus-value. Then it can again rediscover its revolutionary force, and., directed by the party of the class, which has long since known how to decipher the vicissitudes of the life process of capital, take to the offensive: destruction of capitalism, expropriation of the expropriators., the communist revolution. But communism cannot be achieved from one day to the next. We should therefore indicate the phases between capitalism and communism.

The transition from one to the other cannot be represented by a formula, as in the case of capital, because the transformation supposes the destruction of a formula: communism being realized while the human species is unified and exploits the planet. Any formula would be a formula in its becoming, a contradiction in terms.

### ***i. General Characteristics of the Transition between the Two Forms of Production***

In the course of the immediately post-revolutionary phase (the dictatorship of the proletariat), communism cannot be developed freely because the proletariat must still struggle against the capitalist reaction. It will have to fight longer or shorter wars. Still, starting from this moment, communism can the more easily manifest itself the more there is a geo-social zone in which capitalism is highly developed. Thus it is clear that in the USA capitalism already realizes a certain number of measures which would have had to have been effected by' the dictatorship of the proletariat in an epoch in which capitalist development was scarcely initiated. On the other hand, in the zones in which it has involved only a part of the country (e.g. India), in which capitalist forms are yet to be realized, the measures of the dictatorship of the proletariat will be different, even if they tend towards the same end. Besides, whichever geo-social zone is consider, a greater or smaller acceleration of the process may take place depending on the international situation. A rapid victory over the capitals reaction will allow the shortening of the transitional phase, with the huge aid of elements from the more advanced countries. Communism is a world-wide, not a national phenomenon.

Communism is the negation not only of capitalism, but also of all the class societies which precede it. Thus the movement which has received the impulse of the class party, and is freed from the encumbrances of present-day society, is the inversion of what the human community has experienced after leaving primitive communism. The expropriation and atomization of men is replaced by their reunification and by the appropriation by the united human species of the products of its activity - the human species is not autonomous, but reconciled with nature - the valorization of the whole with the destruction of value. Products reacquire their character of elements necessary to man as a social being and are now at his disposition. Man is no longer a commodity - the end of human prehistory. Liberation of the greatest productive force: the species, which today is left fallow, wasted and destroyed.

The movement is grafted onto the one which operates in society, but is slowed by capital. Politics is at present a means to contain communism. Arriving there is therefore linked to two elements: it destroys the barrier to its development and is its development itself. During the dictatorship of the proletariat and lower socialism, the destructive aspect is predominant in the erosion of the old form. Politico-military activity = liberation of communism predominates during the dictatorship of the proletariat, as Trotsky explained (after other marxist theorists) in his speech on the New Economic Policy<sup>[1]</sup>.

## ***ii. Formal Domination of Communism***

### **A. The Dictatorship of the Proletariat**

The mystification of capital lies in the masking of all the contradictions, thus giving the impression that they have been overcome. It has been seen that capitalism tends to negate classes and communism, present within it. The period opened by the crisis and by the proletarian revolution is, on the other hand, the epoch in which the contradictions appear in their full intensity. They must be pushed to their extreme consequence, generalized and suppressed.

The proletariat seizes and destroys the capitalist state, but the state is only the superstructural expression of the material community in which capital is constituted in the last period of its historical development. This community, impersonal being, is renewed by the vital process of the valorization of value. *This must be destroyed if mankind wants to be liberated from capital.* In fact, the destruction of the state and the expropriation of a class would be insufficient if the *mechanism* we have studied up till now were left intact, which means that a sum of value  $x$  has the possibility of being transformed into  $x + \Delta x$ .

The seizure of power can *halt* the regeneration of this community and facilitate the development of communism present in society. But capital's community cannot be replaced immediately by a human community. Hence the need for a transitory organ, the proletarian state, which exercises its dictatorship. This state is directed by the communist party, the holder of the historical solution: providing a human form for society.

The proletariat therefore sets itself up as the proletarian state. The bases of society are not immediately modified, but the entire socio-economic movement which tends to communism now has a leadership which facilitates instead of inhibiting it. This is the beginning of the formal domination of communism. Formal domination, because there needs to be a complete overthrow of the bases of society before the human community can really dominate<sup>[2]</sup>. For the time being, the community represented by the party replaces that of capital, which still has deep roots.

Excepting immediate measures linked to the armed struggle against the offensive return of the dispossessed classes, who intend to retake power and to slow the movement of society, all the others are taken in accordance with fully developed communism, which is the final goal. For the time being, communism dominates only formally, since there has been only the destruction of the most important obstacles to its development. The domination is also expressed, however, in the following inversion: while originally the socialization of production and of men was the result of capitalist development despite being continually put in doubt, now it becomes the presupposition of the new social form. It is imposed as the dominating force and the rest of the social process is modelled in its image. At the same time, this implies that the government makes no further appeals to the old individual, the slave of the material community, but rather to the human community grasped in its becoming; the species, which evidently, at least at the beginning, can only be represented by the party.

The essential point is the destruction of the valorization process. The dictatorship of the proletariat attacks it with two closely linked measures:

a) Everyone has to work, he who does not work, does not eat; this is the generalization of the condition of the proletariat, of manual labour.

b) Shortening of the working day.

Thus the new society affirms that only the person who works is a man. Therefore work reassumes its fundamental position, and man returns to being the subject of production. Capital, on the contrary, especially in its form as fixed capital, eliminates him, making him superfluous.

The dictatorship of the proletariat has no constitution, institutions or rules to define man, contrary to the case of the bourgeois revolution. Instead it is the productive act, participation in human production, that defines man in the society, the communist revolution. Man, however, cannot be imprisoned in a definition, nor in a determined act, nor in the production process, especially when it is still not free of the limits and deformed character inherited from capitalism (communist society has barely begun its emergence and rejection of the old society). It recognizes only the worker and rejects the idler as nonhuman, inessential for its transformation<sup>[3]</sup>.

There is, in a certain sense, the formation of a community based on work. In capitalism, man's existence was mediated by capital, now it is mediated by work. To arrive at this stage means inflicting a decisive blow on capital's community, even if the foundations are not yet destroyed, since work itself bears the stigma of the previous class society<sup>[4]</sup>. Work must no longer have an antagonistic character, it no longer contains the opposition necessary labour - surplus labour, if we are to arrive at this result. Even if mystification has been destroyed, what appears is still, for the moment, alienated and contradictory in its process. But starting from the shortening of the working-day and the generalization of work, it is possible for labour to lose its forced, antagonistic character.

Let us return to the measure making work obligatory for everyone. This totally undermines the old order of things.

"By proclaiming the *dissolution of the hitherto existing world order* the proletariat merely states the *secret of its own existence* for it is *in fact* the dissolution of that world order."  
(*Contribution to the Critique of Hegel's Philosophy of Law, Introduction* in MECW 3 p. 187)

Capitalism had grasped this revolutionary aspect of the proletariat: hence the attempt to provide it with a reserve, however minimal, and therefore to impregnate it with the bourgeois mentality; finally it seeks its negation, as we have seen. Here, on the other hand., the situation of the proletariat reappears and is generalized over the whole of society. This causes the dissolution of capitalism. Simultaneously there is the destruction of enormous waste daily perpetuated by capitalism of labour-power, since all this presupposes the negation of a host of activities that are useless or harmful to man.

However, this generalization still falls within the wage-labour form. It always implies the presence of an intermediary between the product and its consumers. But the basis of the phenomenon is not the same. In capitalist society, wage labour is a means to avoid restoring the whole of the product to the individual who produced it. In the transitional phase, wage labour is the result of the fact that it is not possible to destroy the market economy from one day to the next.

In capitalism, the worker considers his labour-power as an exchange-value; it allows him to earn wages by means of which he can acquire use-values. For the capitalist, on the other hand, labour-power is a use-value which is used to generate products which become increasingly inessential for man. Capitalism abandons the sphere of the satisfaction of the material needs of man; communism re-enters it. But if this implies that all human labour is therefore useful to the species it is still not possible to prevent this activity from presenting itself to the individual as an activity. for exchange (*Erwertätigkeit*) Still, this is the starting point for the destruction of the law of value<sup>[5]</sup>.

After the seizure of power, the communist revolution manifests its social spirit; what counts is no longer political measures, but rather the end that they prefigure: unification of the species and abolition of the old antagonisms. The communist revolution issues and enforces a law according to which "he who does not work does not eat", thus it tends to end competition between men. The same happens when the antagonism between manual and intellectual labour is abolished; this presupposes the generalization of the former, linked to the generalization of the shortening of the working day:

"The absolute barrier to the shortening of the working day is, from this point of view, the generalization of labour," (Capital I p. 667)<sup>[6]</sup>

Thus the mystification of capital is destroyed and labour - as the true agent of the production process - returns to the centre of the phenomenon. The destruction of mystification does not, however, automatically eliminate the mercantile character assumed by labour after the birth of capital. Besides, there is still the need to destroy another mystification linked to wage-labour. Capitalism, in fact, generalizes it. Now it is not just the proletarian, the producer of surplus-value, who is a wage-labourer, but also those who make surplus-value circulate. They do not undertake work that is productive for the human species, but only for capital. The generalization of manual labour, of labour really used for productive purposes, makes wage-labour regain a real content. It loses its mystification, and the generalization of the proletariat's condition over society in its entirety becomes a reality.

Now there is a society characterized by the work community which, still, is not yet a human society in which the emancipated species mediates the life of every individual<sup>[7]</sup>. Labour must again become man's life giving, non-alienating, activity if there is to be no further need for any intermediary other than the human being himself. Labour must totally rid itself on the last mercantile characters imprinted on it by bourgeois society.

## B. Lower socialism

"What we have to deal with here is a communist society, not as it has *developed* on its own foundations, but, on the contrary, just as it *emerges* from capita-list society; which is thus in every respect, economically, morally and intellectually, still stamped with the birth marks of the old society from whose womb it emerges." (*Critique of the Gotha Programme* in MESW 3 p. 17)

There is still only a formal domination of communism.

In lower socialism, as in capitalism, production is social, but appropriation too tends to become 'increasingly socialized. The means of production are completely socialized; the means-of circulation are controlled by the proletarian state, so that the proletariat, through the mediation of the party, tends to make the economic machine function to the workers' advantage as a whole. The first act is therefore fulfilled: the reuniting of the collective machine with the collective worker for collective production to the advantage of men in their totality.

Capital, as exchange-value that has reached total autonomy, can easily be destroyed. It already is (act of the dictatorship of the proletariat) when the goal of production is inverted: no longer production for profit, but to satisfy man's consumption. And yet, while remaining at this stage, it is evident that value sooner or later can regenerate capital. It is therefore necessary to attack the inferior forms of value, to uproot them completely, to deprive capital of any possibility whatsoever of reappearing.

The English socialists who stayed on the terrain of Ricardo, wished that the law of value would really operate, and in the proletariat's favour. Hence they suggested the "labour receipt"<sup>[8]</sup>. Marx demonstrates how utopian a "labour receipt or labour money" is in the present-day sphere of production. According to Gray:

*"products are to be produced as commodities but not exchanged as commodities  
(Contribution p. 85)*

In socialism, products are not produced as commodities and cannot be exchanged. The labour receipt can therefore assume an historical function.

#### 1) Labour receipt and production

If one wants products to cease to be produced as commodities, one must destroy the valorization process, therefore remove the commodity character of labourpower, and this is possible:

"We know however in actual fact the preservation and thus also the reproduction of the value of products of past labour is only the result of their contact with living labour; and secondly, that the command that the products of past labour exercise over living surplus labour lasts only as long as the capital relation, the specific social relation in which past labour confronts living labour as independent and superior." (*Capital III p. 524*)

For man to cease to be a commodity, it is necessary that he is no longer forced to sell himself, to alienate his labour-power to have "the right to live". So it is necessary that the means of production are no longer controlled by a class, and not even by the state, but by society.

As we saw, all must work from the beginning of the phase of the dictatorship of the proletariat, and that the state controls are productive spheres. It anticipates what is required for consumption, thus a consumption plan is established, production is accomplished according to this, and, in turn, socially (necessary) labour time is calculated according to production. Every man must fulfill part of this:

"(Labour time's) apportionment in accordance with a definite social plan maintains the correct proportion between the different functions of labour and the various needs. On the other hand, labour time also serves as a measure of the part taken by each individual in the common labour..." (*Capital I p. 172*)

The means of production are no longer instruments that pump out surplus-value, that suck up human labour to extract surplus-labour. They are used to perform a labour process required to produce a certain quantity of products which society needs.

The transformation turns on two points: labour and means of production. In fact, as we saw, labour is wage-labour because it is confronted with means of production controlled by a class. And the means of production are capital only to the extent that wage-labour exists, i.e. a labour-power whose productive consumption enables, on the one hand, the restoration of the value laid out in means of production, but also, on the other hand, the creation of an increase - surplus-value, which, when reified, will become capital and will oppose the proletarians as a hostile power in other production processes. To destroy wage-labour means to remove the character of capital from the means of production.

Consequently, we must emphasise here the difference from wage-labour. The measure which tends to reunite the two separate phases (labour-power and the means of production) by man's definite taking over of the productive machine, abolishes the exchange between living labour and dead labour. Since they are no longer posited as antagonistic forces, but rather are reunited in a harmonious labour process, their union, which is in any case required for production to take place, no longer requires a middle term - exchange. There is the fulfillment of a function, whose basis is no longer the minimum necessary to maintain the life of the individual, but whose starting point is to assure man the life most adequate to his own nature. This labour time represents an individual contribution to the work necessary for the functioning of society. This presupposes that all labour is necessary for the species.

In other words, it seems that with the labour receipt the worker is still under the law of exchange, but, in respect to capitalism, its content is changed. The receipt is no longer the condition for working. The necessary time, instead it is a quota-part of the total social labour. Besides, the receipt simultaneously indicates the extent to which the activity of the individual man is useful, even though still only in a quantitative aspect. His participation in the social productive process is required, and this process alone is now considered, so that, although still embryonically, the possibility arises for every man to consider his own labour no longer as an activity which permits valorization, but as a use-value immediately useful to society. The barriers created by the existence of the independent individual begin to collapse, even if it takes a long time to reach its conclusion. In this stage, labour time can still be opposed to free time in the case of the individual ( a counterposing of the social to the individual aspect). It is therefore necessary to continue still further the analysis of the characteristics of labour.

Firstly, the determination of labour time is social.

"On the basis of communal (*Gemeinschaftliche*) production, the determination of time remains, of course, essential. The less time the society requires to produce wheat, cattle etc., the more time it wins for other production, material or mental. Just as in the case of single individual, the multiplicity of its development, its enjoyment, and its activity depends on economization of time. Economy of time, to this all economy ultimately reduces itself. Society likewise has to distribute its time in a purposeful way, in order to achieve a production adequate to its overall needs. economy of time, along with the planned distribution of labour time among the various branches of production, remains the first economic law on the basis of communal production." (*Grundrisse* pp. 172-3)

Secondly, to achieve communism, one must:

a) Reduce all labour to abstract labour. Only in this way can society take account of the efforts necessary for production. Besides, capital itself tends to realize this reduction.

b) Create disposable time, again capital realizes this:

"*The creation of a large quantity of disposable time* apart from necessary labour time for society generally and each of its members (i.e. room for the development of the individuals' full productive forces, hence those of society also), this creation of not-labour time appears from the standpoint of capital as of all earlier ones, as not-labour time, free time, for a few." (ibid. p. 708)

These are the two vital elements allowing the operation of the labour receipt; a measure of the activity that the man must develop to produce the elements necessary for his own life. Thanks to the development of disposable time, which is due to a great increase in the productive forces - lessening labour time and increasing disposable time, man will be able to transform himself and to escape from the sphere of necessity by dominating it.

"*Labour time as the measure of wealth* posits wealth itself as founded on poverty, and disposable time existing *in and because of the antithesis to surplus labour time* or, the positing of the individual's entire time as labour time and his degradation therefore to mere worker, subsumption under labour." (ibid. p. 708)

In lower socialism, the contradictory nature of labour is destroyed with the generalization of disposable time and, hence, with man's emancipation from the slavery of wage-labour. Still, one must remember that it is capital itself which creates this base. Previously it was shown how the middle classes are nothing other than the living representation of this disposable time and hence the personification of the surplus labour of the working class.



"But its (i.e. capital's - ei.) tendency always, on the one hand, *to create disposable labour time on the other, to convert it into surplus labour*. If it succeeds too well at the first, then it suffers from surplus production, and then necessary labour is interrupted, because *no surplus labour can be valorized by capital*. The more this contradiction develops, the more does it become evident that the growth of the forces of production can no longer be bound up with the appropriation of alien labour, but that the mass of workers must itself appropriate its own surplus labour. Once it has done so - and disposable time ceases to have an *antithetical* existence - then, on the one hand., necessary labour time will be measured by the needs of the social individual, and., on the other, the development of the power of social production will grow so rapidly that, even though production is now calculated for the wealth of all, *disposable* time will grow for all. The measure of wealth is no longer in any way labour time, but rather disposable time." (ibid. p. 708)<sup>[9]</sup>

Labour must lose every antagonistic aspect to become nothing but purely human activity. It retains the first characteristic as long as it has to be measured in labour time, and this occurs necessarily as long as an activity must be imposed on men. A social activity which they consider as external, and from which they want to differentiate their own activity, which is developed in disposable time. But already, on the same basis as capitalism, the measurement of wealth by means of labour time appears as a narrow base for social development.

"As soon as labour in the immediate form has ceased to be the great well-spring of wealth, labour time ceases and must cease to be its measure, and hence exchange-value (must cease to be the measure) of use-value. The *surplus labour of the mass* has ceased to be the condition for the development of general wealth, 'just as the *non-labour of the few*, for the development of the general powers of the human head. With that, production based on exchange-value breaks down, and the immediate, material process of production is stripped of the form of penury (*Notdürftigkeit*) and antithesis (*Gegensätzlichkeit*) The free development of individualities, and hence not the reduction of necessary labour time so as to posit surplus labour, but rather the reduction of the necessary labour of society to a minimum, which then corresponds to the artistic, scientific etc. development of the individuals in the time set free, and with the means created, for all of them." (ibid. pp. 705-6)

In capitalism, immediate labour, the labour of the living, enters production in a decreasing proportion, while the labour of the dead enters in an increasing proportion. The latter is mediated, or social, labour; it is devalorized and can reacquire value only with the help of the former. Capital is therefore interested in living labour, because it alone is valorization, creation of surplus-value.

"If we now compare the value creating process (*Wertbildungsprozess*) with the valorization process (*Verwertungsprozess*) we see that the latter is nothing but the continuation of the former beyond a definite point. If the process is not carried beyond the point where the value paid by the capitalist for the labour-power is replaced by an exact equivalent, it is simply the value creation process; but if it is continued beyond that point, it becomes the valorization process." (*Capital I* p. 302)

By developing the productive forces, capital has the effect that a small portion of living labour recalls to life a large quantity of dead labour. This is its social and contradictory aspect:

"We know however in actual fact the preservation and thus also the reproduction of the value of products of past labour is only the result of their contact with living labour; and secondly, that the command that the products of past labour exercise over living surplus labour lasts only as long as the capital relation, the specific social relation in which past labour confronts living labour as independent and superior." (*Capital III* p. 524)

The source of wealth is no longer immediate, but mediated by capital. In lower socialism, it is society which mediates it: the whole product of past generations is offered as a gift to the collectivity. Communism is the resurrection of dead labour. Only human activity - not only the immediate, but also the past - is

recognized as necessary. First, there is destruction of mystification - formal domination of communism - then an increasingly preponderant affirmation of human activity. This is possible to the extent to which the means of production are no longer separated from the labour-powers; or when the labour process is unitary. Here again capitalism creates the base of this situation:

"In joint-stock companies, the function is separated from capital ownership so labour is also completely separated from ownership of the means of production and of surplus labour. The result of capitalist production in its highest development is a necessary point of transition towards the transformation of capital back into the property of the producers, though no longer as the private property of individual producers, but rather as their property as associated producers, as immediately social property. It is furthermore a point of transition towards the transformation of all functions formerly bound up with capital ownership in the reproduction process into simple functions of the associated producers, into social functions." (*Capital* III p. 568)

Thus there is no longer exchange between living and dead labour. Only the labour process remains, because the valorization process has disappeared

"With social production, money capital falls away. The society distributes labour-power and means of production between the various branches of industry." (*Capital* II p. 434)

This implies that the means of production can no longer appear in the form of fixed capital.

Destruction of fixed capital.

"Once we dispense with the capitalist form of reproduction, then the whole problem boils down to the fact that the magnitude of the part of fixed capital that becomes defunct and has therefore to be replaced in kind varies in successive years (here we are dealing simply with the fixed capital functioning in the production of means of consumption). If it is very large one year (if the mortality is above the average, just as with human beings), then in the following years it will certainly be so much the less. The mass of raw materials, semifinished goods, and ancillaries needed for the annual production of means of consumption assuming that other circumstances remain the same - does not diminish on this account; and so the total production of the means of production would have to increase in one case, and decrease in the other. This can only be remedied by perpetual relative over-production; on the one hand, a greater quantum of fixed capital is produced than is directly needed; on the other hand, and this is particularly important, a stock of raw materials etc. is produced that surpasses the immediate annual need (this is particularly true of means of subsistence). Over-production of this kind is equivalent to control by the society over the objective means of its own reproduction. Within capitalist society, however, it is an anarchic' element." (*Capital* II pp. 544-5)

This control is possible when exchange is suppressed, thus when the means of production are no longer fixed capital. These means of production will serve:

"...as moulders of use-value, without serving as moulders of exchange-value." (*Capital* I p. 312)

The subject of exchange is the company in present-day capitalist reproduction. So companies must be destroyed: communist society has no need to restore the barriers between private capitals, and so is freed from a whole range of social waste. The abolition of the division of capital among enterprises is a postulate of communism (naturally bound up with the destruction of social capital. cf. *il programma comunista* no. 13, 1963).

"If we were to consider a communist society in place of a capitalist one, then money capital would immediately be done away with, and so too the disguises that the transactions acquire through it. The matter would simply be reduced to the fact that the society must reckon in advance how much labour, means of production and means of subsistence it can spend, without dislocation, on branches of industry which, like the building of railways, for instance, supply neither means of production nor means of subsistence, nor any kind of useful effect, for a long period, a year or more, though they certainly do withdraw labour, means of production and means of subsistence from the total annual product. In capitalist society, on the other hand, where any kind of social rationality asserts itself only *post festum* major disturbances can and must occur constantly." (*Capital* II p. 390)

#### Labour time and value

It seems that we still have to deal with values and that labour time will always define these values. But since the purpose is no longer to increase labour time, it means that labour time no longer needs to appear under the veil of value in order to assume a social function: it affirms, its role immediately. What matters now is only its characteristic of utility. One can say that it now plays the role of measure. It measures the products of human activity and human activity in its actual movement. Marx also observes:

"Labour time cannot immediately be money (a demand which is the same, in other words, as demanding that every commodity should immediately be its own money)" (*Grundrisse* p. 168)

Labour time can become money only through exchange, which, by bringing commodities into mutual confrontation, makes them come to this determination of value and hence of money.

"A commodity is an *exchange-value* only if it is expressed in another, i.e. as a relation." (ibid. p. 205)

While the social determination is presupposed in lower socialism, in capitalism it takes effect *post festum* (cf. the citation above), and it is for this reason that in capitalist society labour time requires exchange to be socialized, hence its metamorphosis into value. The transformation is due to the fact that the transformation starts not from particular, but social, facts. The presupposition is social, it is the community which determines the quanta of time needed to put into movement.

"The communal character of production would make the product into a communal, general product from the outset. The exchange which originally takes place in production - which would not be an exchange of exchange-values but of activities, determined by communal needs and communal purposes - would from the outset include the participation of the individual in the communal world of products. On the basis of exchange-values, labour is *posited* as general only through *exchange*. But on this foundation it would be *posited* as such before exchange; i.e. the exchange of products would in no way be the *medium* by which the participation of the individual in general production is mediated. Mediation must, of course, take place. In the first case, which proceeds from the independent production of individuals - no matter how much these independent productions determine and modify each other *post festum* through their interrelations - mediation takes place through the exchange of commodities, through exchange-value and through money; all these are expressions of one and the same relation. In the second case, the *presupposition is itself mediated* i.e. a communal production, communality, is presupposed as the basis of production. The labour of the individual is posited from the outset as social labour. (...) In the first case the social character of production is posited only *post festum* with the elevation of products to exchange-values and the exchange of these exchange-values. In the second case *the social character of production* is presupposed, and participation in the world of products, in consumption, is not mediated by the exchange of mutually independent labours or products of labour." (*Grundrisse* pp. 171-2)

So it is no longer a question of production cost, since there is no longer profit; no longer a question of value, because exchange no longer takes place, as products immediately acquire a social character as they are produced for society by the collective worker using the social productive machine. It is simply a matter of products which have to be created according to certain quantities. The consideration is the usefulness to man. But one must know what social and individual effort is needed to produce it, and labour time allows one to measure this.

With the labour receipt, therefore, labour time became time necessary for society. Now it is conterposed only to disposable time. But to make sure that this time does not harbour a double nature, that it is only opposed to something beyond itself and so the opposition does not constitute it, as with the case of the working day under capitalism which comprised the duality: necessary labour, surplus labour, we have to know how the products produced over a period, the measure of which is written on the labour receipt, are consumed.

## 2) Labour receipt and consumption of the products.

Consumption is social, determined by society:

"Any distribution whatever of the means of consumption is only a consequence of the distribution of the conditions of production themselves. The latter feature, however, is a feature of the mode of production itself. The capitalist mode of production, for example, rests on the fact that the reified (*sachlichen*) conditions of production are in the hands of nonworkers in the form of property in capital and land, while the masses are only owners of the personal condition of production, of labour-power. If the elements of production are so distributed, then the present-day distribution of the means of consumption results automatically. If the reified conditions of production are the co-operative property of the workers themselves, then there likewise results a distribution of the means of consumption different from the present one." (*Critique of the Gotha Programme cit.* pp 19-20)<sup>[10]</sup>

Because only production for a definite consumption takes place, only what is necessary is produced. The world of necessity can be dominated only when production can - with a minimum of human effort - satisfy a complex of human needs that go beyond immediate ones. The labour receipt thus has another role, that of measuring the portion destined for each individual:

"in the part of the total product destined for individual consumption." (*Capital I* p. 172)

First of all an observation that is organically connected with what precedes:

"Within the co-operative society based on common ownership of the means of production, the producers do not exchange their products; just as little does the labour employed on the products appear here *as the value* of these products, as a reified quality possessed by them, since no, in contrast to capitalist society, individual labour *no longer exists in a roundabout way, but immediately\** as a component part of the total labour." (*Critique of the Gotha Programme* p. 17) (\* our emphasis - ed.)

Just as the social working day determines the working day of every individual, so that total product determines the fraction available to every person. Still, one cannot simply divide the entirety of the social product by the number of individuals, as the immediatists would like, who wish to give the worker the undiminished proceeds of labour.

"From this must now be deducted:

*First* cover for replacement of the means of production used up.

*Secondly*, additional portion for expansion of production.

*Thirdly*, reserve or insurance funds to provide against accidents, dislocation' caused by natural calamities etc.

These deductions from "the undiminished proceeds of labour" are an economic necessity and their magnitude is to be determined according to available means, and forces, and partly by computation of probabilities, but they are in no way calculable by equity.

There remains the other part of the total product intended to serve as means of consumption.

Before this is divided among the individuals, there has to be deducted again from it:

*First the general costs of administration not belonging directly to production.*

This part will, from the outset, be very considerably restricted in comparison with present day society and diminishes in proportion as the new society develops.

*Secondly, that which is intended for the common satisfaction of needs* such as schools, health services etc.

From the outset this part grows considerably in comparison with present day society and it grows in proportion as the new society develops.

*Thirdly, funds for those unable to work, etc.*, in short, for what is included under so-called official poor-relief today." (ibid, pp. 16-17)

The labour receipt thus serves as a means of repartition, it is a right to participation in consumption:

"Accordingly, the individual producer receives back from society - after the deductions have been made - exactly what he.. gives to it. What he has given to it is his individual quantum of labour. For example, the social working day consists of the sum of the individual hours of work; the individual labour time of the individual producer is the part of the social working day contributed by him, his share in it. He receives a certificate from society that he has furnished such and such an amount of labour (after deducting his labour for the common funds), and with this certificate he draws from the social stock of means of consumption as much as costs the same amount of labour. The same quantum of labour which he has given to society in one form he receives back in another." (ibid. pp. 17-18)

Two things must be considered here: one juridical, the question of equal right, and one economic, the question of exchange.

#### a) Equal Right

The labour receipt still implies a mediation between the individual and society, but more determined than during the dictatorship of the proletariat. Work, not capital, is the presupposition. The labour receipt is recognition of participation in social life. It derives from a division, but this is secondary, linked to the limited character of production. It is not a having that presupposes, but an act, a manifestation. The accomplishment of this act leads to obtaining a certain number of products. Equal rights derive from equal participation.

Thus it may seem that lower socialism is only the realization of democracy. This is, in fact, how it appears. But it is a realization that in any case is only transitory; it derives from a limitation imposed by the weakness of the development of the productive forces and of the consciousness of the producers. It is a

stage that must be cleared. Its disappearance is linked to the withering away of the proletarian state. But what can enforce this equal right other than the state? In fully developed communism, right no longer exists, nor the problem of division of sharing. The social democrats of all shades insist on a stage of the movement and have fixed it as a goal, when the real goal is far beyond such a narrow society<sup>[11]</sup>.

But this egalitarian measure draws its importance not from its immediate content, but from the result that it must help attain: the destruction of competition between men, already alluded to this question in the study of the dictatorship of the proletariat. Here it has an exceptional dimension because the conditions for its realization are there. The disappearance of this competition is the the very basis of the true unification of the species, which is incompatible with democracy, which flourishes only on the division in society, given that even in its more airy form it is merely a conciliation of opposites.

## b) Exchange

Marx wrote after the above citation:

"Here obviously prevails the same principle as that which regulates the exchange of commodities, as far as this is exchange of equal values. Content and form are changed, because under the altered circumstances no one can give anything except his labour, and because, on the other hand, nothing can pass to the ownership of individuals except individual means of consumption." (ibid. p. 18)

We therefore need a closer analytical view of the relation between labour

receipt and the quantity of products, not in a frozen manner, i.e. considering it as an unchangeable fact, valid in this form for a whole phase of the life of humanity, but in its becoming.

A remark is required here. Originally capitalism was characterized by the setting in motion of social relations which therefore lose their rigidity. It later fixes these relations to assure the valorization of value (capital) and its autonomization. The movement restarts in the formal domination of communism, but not to facilitate the accession to autonomy of the value, but so as to lead humanity to its total liberation.

The relation can be presented as follows:



This seems to be the simple formula for value, which was manifested at the origin of the economic movement which saw the development of the value of exchange. It was accidental; here the relation will be transitory. It is best to specify this simple apparent value form. The labour receipt plays several roles in it.

## 1) Measure

But this is determined from the start by society and not after a movement of mediation, of greater or shorter length, after a series of exchanges. This is what limits any resemblance to the simple form of value.

"The first form of money corresponds to a low stage of exchange and of barter, in which money still appears more in its determination of *measure* than as a *real instrument of exchange*." (Grundrisse p. 166)

Only that here too one sees that the presupposition of socialism lies in the highest development of exchange-value, its socialization.

## 2) It is the equivalent

But this role is strictly limited in that, on the one hand, it is determined

by society and, on the other, there is no autonomy, because it is the relative form which is essential; the quantity of the product. There is an equivalent which develops as a nonequivalent. In fact, *pari passu* with the growth in production, the individual, for the same quantum of labour, will be able to receive a greater quantity of the social product - a characteristic that distinguishes the receipt from wages - until the moment when the labour receipt loses its *raison d'etre* through the arrival of abundance.

## 3) It permits a single transaction

"But these tokens are not money, they do not circulate." (*Capital II* p. 434)

Thus the relation we have described between the token (labour receipt) and the quantity of products to which it gains a right is only apparently the simple form of value. The token allows an "exchange", and one only. The developed form of value really is destroyed. But Marx shows that the simple form of value contains the seed of the development later of the developed form. This clearly the simple form too must be destroyed to prevent capital from reappearing. That also means that even the resemblance to the simple form of value must also disappear. Now, the token cannot be accumulated, no movement of value can originate in it. Besides as we have seen, capitalism could only appear in a society where a certain quantum of value that has become autonomous was accumulated; a quantum that can buy, can subsume labour-power to allow the realization of the valorization process, which is the process of capital.

The token is valid for a limited period and is lost at the end of this period if it is not consumed. So no monopoly power can appear in society, a power which by subjugating a certain quantity of products, could later take over the means of production and restore capitalism.

In conclusion, the relation indicates an equivalence (with the specification mentioned above), but not a reversibility and so, in this sense, it is a relative form above all. In fact, one may not write:

Quantum of products  $\longleftrightarrow$  Quantum of labour (Tokens)

It cannot be assimilated with the simple form of value which implies the polarity: relative form, equivalent form. It really indicates a qualitative relation. The quantity depends exclusively on production itself. The equivalence is thus determined, externally and not by the confrontation of two elements, like commodities in the simple form of value. It is the state which determines, imposes the quantity that the token provides as a right to take. Thus there is not an exchange but a *transfer* of the products by authority. The quantity will vary over the course of time until negation occurs. The last appearance of value has disappeared, the labour receipt realizes the destruction of value. Society, as Engels wrote in the *Anti-Dühring*, no longer accords value to products. The law of value is buried<sup>[12]</sup>.

## Socialism and the law of value

If one says that, on the contrary, the law of value will operate during lower socialism, as certain theorists do by superficially analysing phenomena, that boils down to posing democracy as a necessary form for the whole of that period. We remarked that lower socialism only apparently has a democratic content. Besides, making such a statement is to take the position of the French socialists who considered that capital vitiates the law of value, hinders its functioning, thus destroying equality and liberty. Thus, according to them, capital had to be destroyed to allow equality and liberty to function in society.

"This leads to the error of those socialists, namely the French, who wish to present socialism as the realization of bourgeois ideas, not discovered, but thrown historically into circulation



by the French revolution, and struggle with the demonstration that exchange-value *originally* (in time) and according to its concept (in its adequate form) is a system of liberty and equality for all, but has been falsified by money, capital etc., or rather, that history so far has made failed attempts to apply them in a form corresponding to their truth, and now, with Proudhon and co., claim to discover a panacea by which the real history of these relations must replace the falsified history." (*Urtext* p. 916)

Our theorists do not have the same starting point, but they do fetch up in the same place<sup>[13]</sup>.

In fact, saying that the law of value functions in socialism implies the recognition that capital falsifies it, otherwise it would not be a characteristic of this historical period. The dictatorship of the proletariat, the party, would then have the historical mission of gaining the respect for the law of value. A nice prospect! Besides, this is to demand a stage earlier than capitalism; so it is reactionary. This is what the French socialists did not understand:

"The exchange-value system, more than the money system, is in fact the system of freedom and equality. The contradictions, however, appear with greater depth, are immanent contradictions, implications of this property, freedom and equality themselves, which occasionally overturn them into their opposites. It is also a pious and stupid wish that e.g. exchange-value must not eventually develop out of the commodity form and money into the form of capital, or that exchange-value producing labour must not develop into wage-labour." (*Urtext* p. 916)

They did not see the new conditions created by capital. Capital, by negating the law of value, by trying to overcome it, by giving it different bases, other presuppositions, formed the very basis of its own-suppression which is verified when humanity reaches lower socialism.

Double nature of the labour receipt?

By stating that the law of value is buried, it seems that one has replied at the same time to the question: does the labour receipt have a double nature? The question is important because the possibility of producing surplus-value lay - in capitalism - in the dual nature of the working day. But if the law of value has been destroyed, and if the labour receipt measures the labour time undertaken by each individual, the receipt can by no way conceal such a duality. But would this not appear in another form? The quantity of products received thanks to the labour receipt would be the measure of necessary labour, the deductions, the surplus labour.

In fact things are as follows: all work can be considered as work necessary for the species, or, dialectically speaking, one can consider that the individual is freed from necessary labour and provides only surplus labour to society now. Society uses it and divides it.

"Surplus labour in some form must always remain, as labour beyond the extent of given needs." (*Capital* III p. 958)

But Marx immediately as:

"It is just that in the capitalist, as in the slave system etc., it has an antagonistic form and its obverse side is pure idleness on the part of one section of society." (*ibid.*)

Socialism destroys this idleness, since labour time has been generalized for everyone. That is why there cannot, be the realization of the right to be lazy, a Lafargue wished.

The opposition between necessary and surplus labour is replaced, as has already been underlined, by the opposition between labour time and disposable time, the last antagonistic form bequeathed by capital.

Socialism develops the contradiction in a total fashion so as to be able to eliminate it. It still indicates the extent to which society has not been able to satisfy in an unlimited way human needs; the extent to which man -the consuming individual - sees himself as a particle that is more or less autonomous in the social complex; when he does not feel that his individual activity is directly social, because it is based on general activity and is a necessary element of it. The contradiction disappears when work loses its coercive aspect.

"The capability to consume is a condition of consumption, hence its primary means, and this capability is the development of an individual potential, a force of production. The saving of labour time (is) equal to an increase of free time, i.e. the time for the full development of the individual, which in turn reacts back upon the productive power of labour as itself the greatest productive power. From the standpoint of the direct production process it can be regarded as the production of *fixed capital*, the fixed capital being man himself. (In fact, it is only through the growth of fixed capital that it is possible that a small quantity of living labour allows the production of a huge quantity of products, so that it seems that it is fixed capital which produces such a huge social man; this in the aspect of devalorization and the of the socialization of capital.- ed.) It goes without saying, by the way, that direct labour time itself cannot remain in the abstract antithesis to free time in which it appears from the perspective of bourgeois economy. Labour cannot become play, as Fourier would like, although it remains his great contribution to have expressed the suspension not of distribution, but of the mode of production itself, in a higher form, as the ultimate object. Free time - which is both idle time and time for higher activity - has naturally transformed its possessor into a different subject, and he then enters into the direct production process as this different subject. This process then is both discipline, as regards the human being in the process of becoming and, at the same time, practice, experimental science, materially creative and objectifying science, as regards the human being who has become, in whose head exists the accumulated knowledge of society. For both, in so far as labour requires practical use of the hands and free bodily movement, as in agriculture, at the same time exercise." (*Grundrisse* pp. 711-12)

Socialism pushes the contradiction between labour time and disposable time to its final limit; but with social development (with education and instruction) and because social relations are now crystal clear to men<sup>[14]</sup>, without mystification, disposable time will itself enter into man's productive activity, which is socialization. Labour time no longer exists since no limitation exists, so no measure to be taken to control it. The spontaneous and conscious activity of men provides for all necessary works, thus also for all new productions.

"The real wealth of society and the possibility of a constant expansion of its reproduction process does not depend on the length of surplus labour but rather on its productivity and on the more or less plentiful conditions of production in which it is performed. The realm of freedom really only begins where labour determined by necessity and external expediency ends; it lies by its very nature beyond the sphere of material production proper;" (*Capital* III pp. 958-9)

There is always a labour process:

"Just as the savage must wrestle with nature to satisfy his needs, to maintain and reproduce his life, so must civilized man, and he must do so in all forms of society and under all possible modes of production. This realm of natural necessity expands with his development, because his needs do too; but the productive forces to satisfy these expand at the same time." (*ibid.* p. 959)

In lower socialism, the labour process allows the satisfaction of an increasing number of human needs, and also it does not dominate man, but is dominated by him; he is no longer its slave.

"Freedom, in this sphere, can consist only in this, that socialized man, the associated producers, govern the human metabolism with nature in a rational way, bringing it under their communal control instead of being dominated by it as a blind power; accomplishing it with

the least expenditure of energy and in conditions most worthy and appropriate for their human nature. But this always remains a realm of necessity." (ibid. p. 959)

This must therefore be dominated and labour time, as a certain duration of time in the man's day, opposed to the rest of that day, must be abolished. At this moment, man is no longer the subject of time in the sense that Marx wrote:

"Time is everything, man is nothing; he is, at the most, time's carcass." (*The Poverty of Philosophy* in MECW 6 p. 127)

Man rediscovers his substance by losing the necessity of the measure of labour, work is no longer something external to him, but is his deep and intimate manifestation. His activities are no longer separated into more or less antagonistic fields: sciences, arts, etc., but are integrated into a single activity which is the manifestation of human nature in its becoming.

So:

"The true realm of freedom, the development of human powers as an end in itself, begins beyond it, though it can only flourish with this realm of necessity as its basis," (*Capital* II p. 959)

Marx ends this magnificent passage by indicating the primordial condition for the production of this emancipatory movement; a movement we have detailed above:

"The reduction of the working day is the basic prerequisite." (ibid. p. 959)

With the reaching of this stage of flourishing, the notion of labour time has no further *raison d'être*, the labour receipt becomes useless and the individual, who is no longer the subject of exchange, as in the capitalist mode of production, but of a transfer, also disappears.

Thirdly, *faux frais* of production and social book keeping. The forms of labour.

We said that one must determine the physical quanta to be produced according to the population and its growth, and, linked with that, the determination of labour time and the labour receipt etc.. All this requires a book keeping This exists in a hypertrophic state in capitalist society. It registers the movement of value above all. The sector which previously developed: forecasting, planning, programming, has again burdened the economic apparatus. It is born on the immediate terrain of the antagonism between capital and communism. This results in the growth of the *faux frais* of production, such as described by Marx in *Capital* Volume II.

During the formal domination of communism, there will be an organization dealing mainly with forecasts of the quantities to be produced, to manufacture, and the determination of the labour time that would have to be employed for this production.

"Secondly, even after the capitalist mode of production is abolished, though social production remains, the determination of value still persists in the sense that the regulation of labour time and the distribution of social labour among various production groups becomes more essential than ever, as well as the keeping of accounts on this." (*Capital* III p. 991)<sup>[15]</sup>

This work will be accomplished by a group of men who, in the beginning, may be separate from the rest of the workers, who are really productive. They will be the unproductive workers, as in the capitalist system; this shows that we are still only dealing with the formal domination of communism. Only, given the inversion of the goal of production, their work is also necessary work for the species. They are *faux frais* of production without which production in the sense desired by society would be impossible. Moreover, since

society no longer attributes value to products, it is not a question of *faux frais*. What remains are the different forms of labour, because the total labour process is still fragmented and divided. It no longer constitutes a whole (the division of labour having not yet been overcome) where the activity of man develops for a moment on the intellectual level: forecast of the process, for another on the practical level: experimentation and undertaking of the work that has been forecast.

Nevertheless:

"Book-keeping, however, as the supervision and the ideal recapitulation of the process, becomes ever more necessary the more the process takes place on a social scale and loses its purely individual character; it is thus more necessary in capitalist production than in the fragmented production of hand craftsmen and peasants, more necessary in communal production than in capitalist. The costs of book-keeping are however reduced with the concentration of production and in proportion to its increasing transformation into social book-keeping." (*Capital II* p. 212)

So it is precisely at this moment that the proletarian state is extinguished. There are no longer distinct social groups in society. There is a unified species that accomplishes a unified labour process which is its production and reproduction. The labour receipt and equal right are also gone.

All the forms of value are therefore buried; thus labour no longer has a determined form, there is no alienation. We pass on to higher socialism, communism.

Capitalism had a personal way of negating value, that of becoming its presupposition; the forms of value were then replaced by those of surplus-value. Mystification breaks down and the forms of labour manifest themselves during the phase of the formal domination of communism. This no longer needs a detour to manifest its social character. It must do so to avoid being on the terrain where value can again manifest itself, labour must no longer appear in forms which are always antagonistic forms. We have remarked that, to a certain extent, the expression of the determination of value is synonymous with the determination of the quantum of labour time. This is because we are at a turning-point in history where labour must lose its veil of value, the inverse epoch to the one during which labour acquired this veil. So it is the moment when society knows only forms of labour, when the movement of value is finished and the liberation of man begins; liberation of man because it is the liberation of his essential activity. One must consequently go back over the whole movement of history.

Human activity underwent different laws which gave it its form during the different social forms of production. Starting with a certain period, there was private property and classes developed; labour was alienated and value appeared. As we have seen, beforehand products were useful or simply did not exist. Human labour was not yet disengaged from its purely biological function of activity to maintain life. So it corresponded to the satisfaction of small needs. From then on, value came to have different forms; labour time came to be the more or less adequate measure, more or less social measure; the laws which gave form to value also gave form to labour, subjugating labour<sup>[6]</sup>. Later, all labour time is dedicated to the production of values; there is the coexistence - as Marx would have it - of necessary labour and social labour within the working day. This duality originally had no *raison d'être*, since the individual dedicates all his activity to the production of the life of the community, thus also his own; a separation does not take place, no division arises between work and another activity. This opposition deepens later, the commodity dominates the activity which produced it and confers a mercantile character on labour (birth of capital). At a later stage of the latter, dead, accumulated, labour becomes the dominating power over living labour and all labour becomes abstract and social. The co-existence between the two parts of the working-day no longer exists, instead surplus labour dominates necessary labour, but:

"It is one of the civilizing aspects of capital that it extorts this surplus labour in a manner and in conditions that are more advantageous to social relations and to the creation of a new and higher formation than was the case under the earlier forms of slavery, serfdom etc.." (*Capital III* p. 958)

In lower socialism, the contradiction between necessary and surplus labour matures into that between labour time and disposable time, the latter is generalized and the species is liberated. Only in communism is work no longer a constraint, it is no longer subject to laws because there is no longer the question of producing values. No more value form, no more labour form. Man dominates the labour process and therefore the laws that regulate its unfolding. Labour becomes an activity allowing exchange with nature, which adapts matter to one or other end:

"...the entire productive activity of man, through which his metabolic interchange with nature is mediated. But this is not only divested of any social form and specific character; even in its mere natural existence, independent of society, it is lifted right out of society altogether and defined as the externalization and confirmation of life equally for a man who is not yet social as for a socially determined man in one way or another." (ibid. p. 954)

No more value, man is no longer "time's carcass". He is not oppressed by it, but dominates it. Subjectively, he again becomes the apparently immeasurable duration. Work, as Engels explains in the *Dialectics of Nature* transformed man. Liberated, emancipated work will provoke a later transformation of humanity, allowing it to enter fully into communist society.

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The study of the formal domination of communism above is valid only for the period during which the communist revolution ought to take place on the basis of the formal domination of capital over society, and also, to a certain degree, for the transition period to real domination. But since the generalization of real domination world-wide (1945) this has been totally superseded. However, this study has the advantage of presenting how the proletariat has to destroy the law of value, how it could use the labour-receipt to do so; it therefore shows the importance of Marx's work on the forms of value. Besides, given that capital is both a process taking place in space which, once having gained autonomy, no longer seems to have any presuppositions outside itself, and a process with historical presuppositions all that this implies spatially and temporarily for the capitalist production process has to be given as evidence so as to be destroyed. The maintenance of the simple forms of value can in fact serve as supports for the regeneration of the capitalist mode of production. From this are derived the functions of the class established as party.

What we have said on this chapter also applies to the interesting study of the Dutch communists (Group of International Communists of the Netherlands): *Basic Principles of Communist Production and Distribution* which was republished, in German by Rowolht Verlag in 1971, and extracts were published in French by Informations et Correspondance Ouvrier: *Fondements de l' economie communiste* (February, 1972). An exposition and critique of the work of the Dutch communists was done by Hennaut (who was neither a councillist nor a partisan of the Italian left) in *Bilan* (theoretical monthly bulletin of the left fraction of the PCI) to which Mitchell (of the Italian left) replied in a series of articles *Problems of the Transition Period*. We shall return later to all these contributions to the study of the passage to communism.

(Note of May 1972)

### ***iii. The real domination of communism***

The real domination of communism is the stage described by Marx as higher socialism or communism. Normally our study, which is centred on the movement of value, should end with the analysis of lower socialism, which sees the end of this movement and the beginning of the one of the reappropriation of human nature. In this society, the goal of production is man himself. All the same, we shall indicate some characteristics of communism so as to present a society no longer dominated by value.

Humanity's accession to communism supposes a pacific revolution<sup>[17]</sup> which totally changes the basic foundations of society and of human nature. This is achieved during the previous phase by the great development of production for man and the modification made to his nature following the destruction of forced, mercantile labour. Besides, the real domination of capital supposes a revolution in the way production is undertaken - a repeated revolution as Marx indicated - which means that capital continually tended to overthrow the bases on which it rested.

For communism to exist, the world of necessity must be dominated, because it is beyond this world that the real domain of human development lies. Then man takes his own evolution into his own hands.

The domination of the realm of freedom is realized with the parallel disappearance of the old social antagonisms:

- no more classes or state, so no more private property.
- no opposition between town and country, humanity is spread harmoniously over the earth's surface.
- disappearance of the division between manual and intellectual labour, a reflection of the class struggle. Social man uses the productive machine to create a social product.
- dissolution of the opposition between private and public life. Social man has nothing to do with politics, since there are no men to be governed. There is the administration of things. Consequently there are no further antagonisms between social man ( a human being) and the species. Humanity has rediscovered its organic unity; no more dualism between leaders and masses, which is the same as the dualism between matter and spirit.

"In a higher phase of communist society, after the enslaving subordination of the individual to the division of labour, and therewith, also the antithesis between mental and physical labour, has vanished; after labour has become not only a means of life but life's prime want; after the productive forces have also increased with the all round development of the individual, and all the springs of cooperative wealth flow more abundantly - only then can the narrow horizon of bourgeois right be crossed in its entirety and society inscribe on its banners: From each according to his ability, to each according to his needs!" (*Critique of the Gotha Programme* p. 19)

The narrow horizon of bourgeois right is also the democratic horizon which supposes a divided man confronted with wealth that has to be divided. Communism has nothing whatever to do with democracy. That is why it has no knowledge of the

"...strife between existence and essence, between objectification and self-confirmation, between freedom and necessity, between the individual and the species. Communism is the riddle of history solved, and it knows itself to be this solution." (*Economic and Philosophic Manuscripts* in MECW 3 p. 296)

To give a more precise characterization, we have transcribed three fragments of Marx's work which cast light onto three of its aspects:

## 1. Production

"Let us suppose that we had carried out production as human beings. Each of us would have *doubly affirmed* himself and the other person. 1) my *production* I would have objectified my *individuality*, its *specific character*, and therefore enjoyed not only an individual *externalization of my life* during the activity, but also when looking at the object I would have the individual pleasure of knowing my personality to be *objective, sensually contemplative*



and hence a power *sublime beyond doubt* 2) In your enjoyment or use of my product I would have the *immediate* enjoyment both of being conscious of having satisfied a *human* need by my work, that is, of having objectified man's essential nature, and having thus created an object corresponding to the need of another *man's* essential nature. 3) I would have been for you the *mediator* between you and the species, and therefore would become recognized and felt by you yourself as a completion of your own essential nature and as a necessary part of yourself, and consequently would know myself to be confirmed both in your thought and your love. 4) In the individual expression of my life I would have immediately created your expression of your life, and therefore in my individual activity I would have directly *confirmed* and *realized* my true, human, communal being (*Gemeinwesen*)." (*Comments on James Mill Elements d'Economie Politique* in MECW 3 pp. 227-8)<sup>[18]</sup>

## 2. Wealth and needs

"It will be seen how in the place of *wealth* and *poverty* of political economy come the *rich human being* and the *rich human* need. The *rich human being* is simultaneously the human being *in need* of a totality of human externalization of life - the man in whom his own realization exists as an inner necessity, as his *plight* (*Not*). Not only *wealth* but likewise the *poverty* of man - under the assumption of socialism - receives in equal measure a *human* and therefore social significance. Poverty is the passive bond which causes the human being to experience the need of the greatest wealth - the *other* human being. The domination of the objective being in me, the sensuous outburst of my life activity, is *passion*, which thus becomes here the *activity* of my being."

## 3. Relation between men

"Assume *man* to be *man* and his relationship to the world to be a human one: then you can exchange love only for love, trust for trust etc.." (*Economic and Philosophic Manuscripts* in MECW 3 p. 304 & 326)

Communism is the true human community where the mediation is man himself. The human being is the real *Gemeinwesen* of man (Marx).<sup>[19]</sup>

## NOTES

### ***i. the periodization of communism***

The three post-capitalist phases: dictatorship of the proletariat, lower socialism, communism, have been perceived and conceived successively by different theorists who have described a society succeeding the one divided into classes. Only, with the exception of scientific communism, their descriptions have been vitiated by a basic error, that of the egalitarian premiss. Since equality was the goal of the movement for the utopian socialists. To this we can add the incomprehension of value. Marx, in the *Economic and Philosophic Manuscripts* presents different communist positions, indicating immediately what in general characterizes communism:

"Finally, *communism* is the *positive* expression of annulled private property at first as *universal* private property." (MECW p. 294)

The difference between many doctrines, linked to different moments of social evolution, lies in the comment on this abolition.

"By embracing this relation as a *whole* communism is;



1) In its first form only a *generalization* and *consummation* of it (of this relation). As such it appears in a two fold form: on the one hand, the domination of *reified* property bulks so large that it wants to destroy *everything* which is not capable of being possessed by all as *private property*. It wants to disregard talent, etc., in an *arbitrary manner*. For it is the sole purpose of life and existence is immediate, physical *possession*. The category of the *worker* is not done away with, but extended to all men. The relationship of private property persists as the relationship of the community to the world of things." (ibid. p. 294)

Here a measure to be realized by the dictatorship of the proletariat is indicated: "the category of the worker is not done away with, but extended to all men", with the specification that the proletariat negates itself as such by generalizing its condition of proletariat to the level of all society. Only theoretical limitations of which we have spoken make the community that they foresee merely a community of capital (cf. the chapter 'Capital and Material Community'). Marx adds:

"The first positive annulment of private property - *crude* communism - is thus merely the *form of the manifestation of the phenomenon*<sup>[20]</sup> of the vileness of private property, which wants to set itself up as the *positive community*."

2) Communism (a) still political in nature democratic or despotic." (ibid. p. 296)

This is, for example, the communism suggested by Blanqui, the theorist of political struggle and the dictatorship of the proletariat.

"(b) with the abolition of the state, yet still incomplete and being affected by private property, i.e. the estrangement of man. In both forms communism already is aware of being reintegration or return of man to himself, the transcendence of human self-estrangement; but since it has not yet grasped the positive essence of private property, and just as little the *human* nature of need, it remains captive to it and infected by it. It has, indeed, grasped its concept, but not its being." (ibid. p. 296)

Here it is basically the content of lower socialism that has been indicated. Only, as we know, the state is not just suppressed. In fact, the bourgeois state is destroyed, but the proletarian state withers away. What is essential is the hatred of the state and the necessity of its disappearance is proclaimed.

"3) *Communism* as the *positive* transcendence of *private property* as *human self-estrangement*, and therefore as the real *appropriation* of the *human* essence by and for man; communism therefore as the complete return of man to himself as a *social* (i.e. human) being - a return accomplished consciously and embracing the entire wealth of previous development. This communism as fully, developed naturalism humanism, and as fully developed humanism naturalism it is the genuine resolution of the conflict between man and nature and between man and man - the true resolution of the strife between existence and essence, between objectification and self-confirmation, between freedom and necessity, between the individual and species. Communism is the riddle of history solved, and it knows itself to be this solution." (ibid. pp. 296-7)

Marx speaks of communism in all of these cases because the goal is the same for all of them: destruction of private property and the formation of the human community. The different theories were all approximations until the solution to the riddle. They translated a more or less developed stage of society. Men could not imagine what is real in it. Inversely, anticipations only become possible to the extent that they have a real substrate. This is why Marx adds:

"The entire movement of history, just as its (communism's) *actual* act of genesis - the birth act of its empirical existence - is, therefore, also for its thinking consciousness the *comprehended* and *known* process of its *becoming*. Whereas the still immature communism seeks an *historical* proof for itself a proof in the realm of what already exists - among disconnected

historical phenomena opposed to private property, tearing single phrases. from the historical process and focusing attention upon them as proofs of its historical pedigree." (ibid. p. 297)

In as much as the solution is only an approximation, it needed to justify itself. It is the same all things considered - for all the socialisms arising on the basis of the mystification of capital to which we have already alluded: they always need to justify themselves. They also recognize by this that, despite their great pretensions, they can only be an approximate solution of a historic question which can only be cleared up by the proletariat organized in a party which holds the key to the riddle: communism. Marx ends this passage with the remark:

"By so doing it simply makes clear that by far the greater part of this process contradicts its own claim, and that, if it has ever existed, precisely its being in the *past* refutes its pretension to *reality*. (ibid. p. 297)

It would be easy to demonstrate the validity of this movement for "Russian communism", but that is not, at the moment, our preoccupation. We merely wish to underline that it is entirely correct to group the two phases of the dictatorship of the proletariat and lower socialism in the formal domination of communism, a larger entity which includes them.

## ***ii. Communism and Russian society***

The analysis of the relationship between Russian society and communism remarkably illustrates the preceding chapter, in particular the point dealing with the formal domination of communism. Russian society was marked by the following question: could it leap over capitalism, could scientific communism be grafted onto primitive communism (the mir)? Marx and Engels answered this question in accordance with the historical development of the Slav area. We know that towards the ends of their lives they believed the historical opportunity to be lost: the commodity economy was already too developed (it aimed towards a powerful capitalism in some zones) for the graft to take<sup>[21]</sup>. But capitalism itself, because of the inertia of the forms of decomposition of the mir, the contradictions of international capitalism, as well as the fear of the proletariat by the Russian bourgeoisie, was too developed for a *jump*, a *leap* to be made, but too underdeveloped to generalize capitalism throughout Russian society, and then to erect communism on its basis. Hence the need for the intervention of the proletariat.

The imperialist war, the revolution and the civil war followed. Production was destroyed, the economic infrastructure dismantled, weak capitalism devastated. Then the question of leaping the capitalist form arose again under different conditions. It is the way in which it was approached and dealt with by the Bolsheviks in the years before the Stalinist counterrevolution that allows us to see the correspondence between the general theory of the proletariat, Marxism, and the particular concrete case of the Russian revolution. We shall briefly illustrate this: A. The October 1917 revolution was a double revolution, bourgeois and proletarian, communist, because it was a revolution against international capital. B. To what extent can we speak of communism given that this was a basically precapitalist area?

(a) Because of the international perspective. The Communist International was set up in 1919. Russia was the outpost of the communist revolution. The economic question could soon be settled if the revolution were to break out in Germany. See on this Lenin's parable of two chicks in the same egg.

(b) There was the dictatorship of the proletariat in Russia. State power, controlled by the Bolshevik party took measures to aid the socialist becoming. They even went beyond the socioeconomic possibilities of Russian society in the early years (see Trotsky's speech on the NEP). There was a formal domination of communism.

(c) This statement is still valid for the period of the N (the retreat of communism before the offensive of world capitalism). Russian society had to engender capitalism beginning in the countryside (as was the case with all national capitalisms)<sup>[22]</sup>. There was no possibility of the beneficial grafting onto it of the German

economy. But this capitalism is controlled by the proletariat through its state by the intermediary of the party. Also the International, of which the Russian party was the fundamental element, is the superstructural expression of the force and idea of the phenomenon of worldwide communism. Russia provided its base camp and fall-back positions for carrying out the assault on capital. Regenerating the Russian economy by allowing capitalism to develop was to bring a very dangerous force to bear on the international proletariat.

The Bolsheviks and the communists of the period held one of the arches of the bridge over which the great social transformation had to pass. They could only be dislodged by force. They could not think that at the end of longer or shorter struggles that there would be no final victory, thus no realization of what they then affirmed, what they had resolved to fight for: communism

From formal domination to mystification

Force dislodged the communists, but this manifested itself in a situation where it was more or less masked. Apart from in Russia, their liquidation was arrived at through the struggle against fascism. Hence the first element of mystification. Besides, in Russia they stated that the goal remained the same: communism, only that the facts of its realization had been changed: the internal development of Russia alone would allow it to occur; communism would no longer be grafted onto Russian society, the society would not be condemned to allowing capitalism to develop, under control, but socialism would be constructed within its geographical limits, then granted to the rest of the world. The real overthrow was in the political leadership, the historical perspective, and not in the economic development, for there it was impossible for an inversion to take place<sup>[23]</sup>: the productive forces imposed their reality. It is due to the fact that capitalism and communism have the same basis that it was possible to operate the mystification that we have spoken about.

There is another cause, apart from this objective basis, which explains the solid implantation of this mystification. It is the fact that, at a given moment, the world, proletariat, assumed the running of the development of Russian society. The generalization of capitalism in the Slav area represented a considerable gain for it. This meant that later on official propaganda could present relative improvements (*vis-a-vis* the earlier social order) as absolute improvements (in comparison with all other modes of production, including capitalism) and their realization on an ever larger scale as favouring the movement of the emancipation of the proletariat.

The affirmation of communism after the seizure of power in Russia was fully justified, but it could only be formal, which implied the immediate non-existence of communism in Russia, as well as its potential existence in the Western countries. The counter revolution merely inverted the facts to operate the mystification. It therefore condemned itself to having to make communism a potentiality in Russia too, It made the revolution more distant, but it also had to provide it with deeper roots.

Finally, this statement was only true because the party, the arrival point of all the motor forces. of world society, clearly foresaw the entire historical course, because it tended increasingly to be the community of a social form, the birth of which had to be facilitated. There could be formal domination in as much as the formal party was the real expression of the programme. This is the best proof of its fundamental function, just as the need to detail the dialectical links which unite it with the future society.

### ***iii. Imperialism and formal domination of communism***

We can in no way deal exhaustively with the rise of imperialism and its expansion on a world scale, but we should simply ask what can the link be between it and the higher form, communism? Lenin characterized it thus in his basic work:

"But capitalism only became capitalist imperialism at a definite and very high stage of its development, when certain of its fundamental characteristics began to change into their opposites, when the features of the epoch of transition from capitalism to a higher social and economic system had taken shape and revealed themselves in all spheres." (*Imperialism, the Highest Stage of Capitalism* in *Collected Works* Vol. 22 p. 265)

Imperialism is not a transitional phase, but shows how close this stage is<sup>[24]</sup>. It was first interpreted by the social-democrats with their inevitable corollary of the evolutionist perspective. That is, according to them, this transitional society would mature imperceptibly into socialism. The second interpretation therefore negates this gradualism, but for it the fact still remains that imperialism exists from "when the features of the epoch of transition" are revealed. Lenin did not really study this question in depth. He also entitled his work 'An Essay of Popularization'. He remained on the level of apparent phenomena without grasping the real movement determining them. This movement, as we have seen, results from the deepest contradictions of capital - valorization, devalorization, fixation-circulation, socialization-privatization. But Lenin analysed them in a masterly fashion, so that the explanation offered, even if it is superficial, in the literal sense of the term, is none the less fundamental. Its validity is striking when one considers the political consequences that he draws. In fact, one can consider his work as remaining on the surface of the phenomena because the author developed an immediate polemic for an immediate political application - the struggle against revisionism. Imperialism causes war, not peace, even though:

"That imperialism begins the era of the social revolution is also a fact, one that is obvious to us, and about which we must speak clearly." (*Extraordinary 7th. Congress of the RCP (B) March 6-8, 1918* in *Collected Works* Vol. 27 p. 131)

Thus imperialism opens the era of social revolution, as he proclaimed in the *Report on the Review of the Programme and on Changing the Name of the Party*, March 8th. *Tbid.* pp. 126-39)

Lenin's merit was to have understood this great political implication and to have destroyed the pacifist mystification, also to have proclaimed that the Russian revolution had above all to be fought against this imperialism then personified by England, Germany and the United States. The triumph in Russia was a victory over imperialism because Russia was the weakest, but still vital, link in the chain. How did the situation appear at this moment?

"No matter what the further complications of the struggle may be, no matter what occasional zig-zags we may have to contend with (there will be very many of them - we have seen from experience what gigantic turns the history of the revolution has made, and so far it is only in our own country; matters will be much more complicated and proceed much more rapidly, the rate of development will be more furious and the turns will be more intricate when the revolution becomes a European revolution) - in order not to lose our way in these zig-zags, these sharp turns in history, in order to retain the general perspective, to be able to see the scarlet thread that joins up the entire development of capitalism and the entire road to socialism, the road we naturally imagine as straight in order to see the beginning, the continuation and the end - in real life it will never be straight, it will be incredibly involved - in order not to lose our way in these twists and turns, in order not to get lost at times when we are taking steps backward, times of retreat and temporary defeat or when history or the enemy throws us back - in order not to get lost, it is, in my opinion, important not to discard our old, basic Programme; the only theoretically correct line is to retain it. Today we have reached only the first stage of transition from capitalism to socialism here in Russia." (*ibid.* pp. 129-30)

Lenin thus saw the beginning of a chaotic phase which would contain detours, defeats leading to disorientation and doubt, but with the historical thread (the thread through time as we say - *Sul Filo del Tempo*), he assures us, one can reach the total transformation of society. He adds:

"Marxists have never forgotten that violence must inevitably accompany the collapse of capitalism in its entirety and the birth of socialist society. That violence will constitute a

period of world history, a whole era of various kinds of wars, imperialist wars (the 1939-45 war - ed.), civil wars inside countries (Finland, Hungary, and in Germany, though not at the same level as in Russia itself - od.), the intermingling of the two (the Spanish War, which began as a civil, class, war and ended as an imperialist war - od.) national wars liberating the nationalities oppressed by the imperialists (those beginning at the time of the Russian revolution, which miscarried before the Second World War, but which restarted and emerged victorious afterwards 1945-1962 - ed.) and by various combinations of imperialist powers that will inevitably enter into various alliances in the epoch of tremendous state-capitalist and military trusts and syndicates. This epoch, an epoch of gigantic cataclysms, of mass decisions forcibly imposed by war, of crises (1929 ed.), has begun.- that we can see clearly - and it is only the beginning." (Ibid. p. 130)

Lenin's diagnosis was completely correct: we have illustrated, his statements on purpose in brackets. The essential condition for all these events to be able to constitute as many direct paths or detours going towards socialism was the maintenance of proletarian power in Russia. This was not to be the case. But this verification implies a number of considerations which we shall simply indicate without explanations so as to provide evidence of the link between imperialism and the formal domination of communism.

1) Total victory of imperialism, which is the generalization of capitalism on a world scale, even in the zones which previously were occupied only for pillage: the colonies. Capital now ruled more in the "landlord" form and so not according to its being, i.e. according to economic mechanisms. The whole world is ready for the purely proletarian revolution, all the more so since capitalist domination has deepened in the old metropolises and the index of the purity of capitalism has risen.

2) It realizes, even if mystifying them, a number of measures that the dictatorship of the proletariat would have had to apply, such as planning, which was already necessary in Engels's time (*Critique of the Erfurt Programme*) the generalization of wage-labour etc., which show most clearly the proximity of the future society.

3) Imperialism has won because it was able to stop the unification of two great forces antagonistic to it: the proletariat and the movement for the emancipation of colonized peoples. 1917-1926: the proletariat was beaten before the others could join in. After the 1939-45 war: the weakening of imperialism allowed the movement for emancipation to recommence (becoming the executor of the Third International, the Baku Congress, the 1920 Theses). But the proletariat did not emerge from the defeat, the last bloody act of which was the imperialist war itself. The revolutionary movement was finally halted (1962) and integrated more and more in imperialism. The revolution could now triumph only as a purely proletarian revolution.

While drawing up the list of these magnificent struggles which all, however, seemed to have no positive outcome - we are as ever under the domination of capital - Marx's extraordinary analysis of the revolutionary phenomenon immediately springs to mind:

"The social revolution of the nineteenth century cannot draw its poetry from the past, but only from the future. It cannot begin with itself before it has stripped off all superstition about the past (e.g. the democratic superstition or that of progress - cd.). Earlier revolutions required recollections of past world history in order to dull themselves to their own content<sup>[25]</sup>. In order to arrive at its own content, the revolution of the nineteenth century must let the dead bury the dead. There the words went beyond the content; here the content goes beyond the words." (*The Eighteenth Brumaire of Louis Bonaparte* MECW 1.1 p. 106)

This quotation expresses in other words what was contained in those of Lenin. Following them, we can remark that the revolutions which were finally consolidated as bourgeois-capitalist revolutions could only appear historically by drawing their poetry from the future; any which is claimed by socialism affirms the potential death of capitalism. The dead have buried the dead. *Reproaching them for this mystification would be to wish to change history*, to wish to remove from the world the power of communism which causes

*everything* that occurs on a ( world scale to be ordered by it (the whole social movement is polarized by its proximity); complaining of such a mystification would be to wish to resuscitate the dead!

Besides, the proletarian revolution has certainly retreated, but the counter- revolution, by realizing all the transitional and intermediate tasks of the revolution (the development of capitalism in Russia, China and in the former colonies), means that the revolution is now again coming to the forefront, and, this time, "all going-back" is made impossible by the situation. -140

"Bourgeois revolutions, like those of the eighteenth century, storm swiftly from success to success, their dramatic effects outdo each other, men and things seem set in sparkling brilliants, ecstasy is the everyday spirit, but they are short-lived, soon they have attained their zenith, and a long crapulent-depression seizes society before it learns soberly to assimilate the results of its storm-and-stress period. On the other hand, proletarian revolutions, like those of the nineteenth century, criticize themselves constantly, interrupt themselves continually in their own course, come back to the apparently accomplished in order to begin it afresh (the retreats and detours that Lenin mentioned in 1918 - ed.), deride with unmerciful thoroughness the inadequacies, weaknesses and paltriness of their first attempts, seem to throw down their adversary only in order that he may draw new strength from the earth (the capitalist renewal of the recent years, linked to the consolidation of capitalism in Russia, the work of the proletariat - ed.) and, rise J again, more gigantic, before them, and recoil again and again from the indefinite prodigiousness of their own aims, until a situation has been created which makes all turning-back impossible, and the conditions themselves cry out:

*Hic Rhodos, hic salta!"* (ibid. pp. 106-7)

4) Paradoxically, this retreat is the triumph of revisionism, of the reformism of Bernstein, then of Kautsky, Bauer and co.. The crisis of 1914 caught imperialism napping - even though imperialism had directly produced it - the proletariat had a perspective: the social revolution which Lenin spoke about. What was the possible solution for capitalism? Evidently it was the destruction of proletarian power, hence the role of social-democracy, later fascism, this is its violent and military aspect. But how could society be organized when it was clearly ready to pass on to "a higher economic and social regime", when the future social form was trying desperately to emerge? The solution was offered by the immediate or later disciples of Bernstein: Bauer, Kautsky, Hilferding, for example. The last of these declared in 1927<sup>[26]</sup>:

"What is decisive about the present period of capitalism in which we find ourselves is essentially that the era of free competition, in which capitalism was dominated purely by the rule of blind market forces, has been overcome, and we are arriving at a capitalist organization of the economy, also we are passing from the *economy of the free play of forces to the organized economy*. (p. 3)

"What is characteristic secondly is that, capitalist industry, with a new scientific method becoming employed with new energy, strives for it to take effect from the start so the new possibilities are turned to account in an *organized* manner.' (p. 3)

"Now what is very interesting to see is that, in the development of modern industrial science, methods are sought after to replace this free competition of private self-interest with scientific, planned, methods.' (p. 5)

"Capitalist organization of the economy" is correct, it is even that of the whole of society, which means fascism, which Hilferding describes exactly, despite himself.

"Organized capitalism thus means in reality the *replacement on principle of the capitalist principle of free competition by the socialist principle of planned production*. This planned, consciously managed economy supposes, at the highest point, the possibility of the conscious intervention of society, it cannot be otherwise than intervention through the only conscious



organization empowered with the force required in society, the intervention of the *state*." (p. 5)

"But what is more important and new is state regulation in the field that most immediately concerns the lot of the proletariat, namely the field of the *labour market*. We have, thanks to the revolution, workers' unemployment insurance. This means a totally determined regulation of supply and demand in the labour market. We have today, through our collective agreements, through our arbitration tribunals, a *political wages regulation* and a political working day regulation. The personal lot of the worker will be determined, through the politics of the state. If we are able, with the level of employment passing two million, to maintain the real wages of the workers, then therefore we shall be able to have a guaranteed real wage for all, because the political influence of the working class has become great enough to prevent a reduction of wages by using collective agreements on wages, arbitration tribunals and wages councils. We must hammer into every worker's head that the *weekly wage is a political wage*<sup>[27]</sup>, because the wage coming at the end of the week depends on the parliamentary representation of the working class, on the organization and social relations of power outside parliament. We must especially say to working class women that when you go to vote, make up your mind at the same time on bread, meat, and the size of the wage packet. This is naturally something new to the capitalist economy, it is an element of great economic, social and political importance." (pp. 6-7)

Finally, he defines in a rigorous manner the reformist way = the fascist way = the victory of social democracy.

"This means nothing other than that the problem posed for our generation is to transform this economy that is organized and directed by the capitalists into an economy directed by the democratic state, with the aid of the state and of conscious social regulation. It follows that the problem for our generation can be none other than that of socialism. If we, social democracy, have previously struggled for political rights, to set up and increase social policy, it is through economic development itself that the problem of socialism is posed."<sup>[28]</sup>

The fascist way, as we said. We should not forget that socialism in one country emerged victorious in Russia before national socialism did in Germany. The first indicates the falling back of the revolution to national borders, the second, the impossibility of saving a country if it is not coloured with socialism. The first is the carrier of an original illusion antagonistic forms are forms of association, the second of a final illusion: socialization of production, resulting from capitalist development, could immediately secrete socialism. That is why the theorists of fascism social democracy, the political form of the capitalist material community, find themselves among the social-democrats.

Society passed through a particular moment in 1925-30, Economic and political measures (draconian control of the economy) were used by capitalism to contain the communist revolution. It was the social democrats mentioned above that undertook this *tour de force* Capitalism was unable on its own to achieve a consciousness of its own being and the measures it had to take to guarantee its survival. It stole the arms of the proletarian revolution only because it itself, at the highest stage of its development, secretes a transitory society in which it is sufficient to overthrow the organized power of capital by a properly prepared military action led by the class party, for the formal domination of communism to be exercised automatically. As Marx declared, the proletarian revolution "seems to throw down its adversary (in Russia in 1917) only in order that he may draw new strength from the earth (Germany in the period 1925-33, generalized in all the capitalist world with the triumph of fascism in the Second World War) and rise again, more gigantic, before them."

5) What now does imperialism represent other than this acting material community we have mentioned? It is imperialism which offers the presentiment of the future phase of the formal domination of communism. We must therefore analyse in greater detail how the real movement of value, which has constituted itself in this community, engenders the apparent movement. Lenin's analysis is always valid, but a new analysis is vital, firstly to overcome the handicap of fifty years of defeat, secondly to intervene correctly with the



appropriate measures after in the economic movement. Without this analysis, the prediction of the crisis will be impossible. Also, to the extent that this impersonal being is unable to control itself, the need to research the deepest contradictions which will break this type of self-regulation, which pushes back the crisis, is vital. The crisis cannot be foreseen without an understanding of this phenomenon. Now, a party which cannot foresee is not a revolutionary party.

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1. Cf. il programma comunista nos. 6-10 8 12, 1966 - a translation of Trotsky's speech by Ludovico Tarsia, with a commentary by Amadeo Bordiga. For an English translation of the speech see *The New Course* (London, 1972).

2. "Between capitalist and communist society lies the period of the revolutionary transformation of the one into the other. Corresponding to this is also a political transition period, in which the state can be nothing but the revolutionary dictatorship of the proletariat. (Critique of the Gotha Programme in MESW 3 p.26)

3. Because the community of work has now been realized (another expression of the effective real domination of capital), idleness now takes on a different content, although it is merely a negative, and not a positive determination of communism, and deserves to be reexamined. (Note of May 1972)

4. One can see all the difference in the world between this community, which realizes a certain egalitarianism, since there is no other means of reaching a more developed stage, and. the community of rude communism mentioned in the previous chapter.

5. "If however wages are reduced to their general basis, i.e. that portion of the product of his labour which goes into the worker's own individual consumption; if this share is freed from its capitalist limit and expanded to the scale of production that is both permitted by the existing social productivity (i.e. the social productivity of his own labour as genuinely social labour) and required for the full development of individuality; if surplus labour and surplus product are also reduced, to the degree needed under the given conditions of production, on the one hand to form an insurance and reserve fund, on the other hand for the constant expansion of reproduction in the degree determined by social need; if, finally, both (1) the necessary labour and (2) the surplus labour are taken to include the quantum of labour that those capable of work must always perform for those members of society not yet capable, or no longer capable of working - i.e. if both wages and surplus-value are stripped of their specifically capitalist character - then nothing of these forms remain, but simply those foundations that are common to all social modes of production." (*Capital* III pp. 1015-16)

Let us specify that *Erwertätigkeit* means an activity with self-valorization in mind.

6. The French edition concludes this passage with "the generalization of manual labour." (Note of May 1972)

7. It is not the particular activity of a being that can play this role, but its totality.

8. To remove any demagogic aspect from the matter, it would be better to speak of a *provisions card*. On this, see Amadeo Bordiga *Lezioni delle contrarivoluzioni* (1951).

9. This means that when the sphere of necessity has been dominated, men must rediscover themselves in their disposable time. Following the real domination of, capital, which has undergone anthropomorphosis, men must either go backwards through the cycle and reconquer an activity stripped from them, or they must create another and create themselves as men who have become men. The revolution « appears as the beginning of a huge human creation. (Note of May 1972)

10. Marx describes lower socialism in *Capital* and deals with the same question in the following way: "Let us finally imagine, for a change, an association of free men, working with the means of production held in common, and expending their many different forms of labourpower in full self-awareness as one social labour force. All the determinations of Robinson's labour are repeated here, but with the difference that they are social rather than individual. All Robinson's products were exclusively the result of his own personal labour and they were therefore immediately objects of utility for him personally. The total product of our imagined association is a social product. One part of this product serves as fresh means of production and remains social. But another part is consumed by members of the association as means of subsistence. This part must therefore be divided among them. The way this division will be made will vary with the particular kind of social production organism and the corresponding historical level of social development attained by the producers." (*Capital* I pp. 171-2)

11. "The representation of socialist society as the realm of *equality* is a onesided French idea modelled upon the old "liberty, equality, fraternity" - a concept which was justified as a *stage of development* in its own time and. place but which, like all the onesidedness of the earlier socialist schools, should have been overcome by now, for it only produces confusion in people's heads and more precise modes of presentation of the matter have been found." (Engels to Bebel 18-28.3.1875 in MESC p. 276)

12. "In socialism, there are neither measures of value nor value. There are no exchanges between men. Only one exchange remains: between human society and nature." Amadeo Bordiga in *il programma comunista* no. 20 1957.

13. "How these socialists differ from the bourgeois apologists 'is, on the one hand, in the feeling of the contradictions of the system, on the other, in utopianism, the lack of grasp of the necessary difference between the real and ideal forms of bourgeois society, and thus the superfluous proposition to wish to undertake the ideal expression, the transfigured and reflected from reality itself as such, a photograph, as a realization of the same." (Urtex p. 916)

14. "The social relations of men, both towards their labour and the products of their labour, are here transparent in their simplicity, in production as well as in distribution." (*Capital I* p. 172)

15. It would seem that this passage shows that Marx considers that the law of value could continue to play - or play even more really - a role in post-capitalist society. In fact, he uses the term determination of value for determination of labour time. The rest of the quotation also conforms to this interpretation. It could be said that, effectively, in as much as one must evaluate the quanta of labour time, one is in fact making a kind of determination of value. But, firstly this is done prior to production, not *post festum*; thus as we have shown the labour time no longer requires its veil of value to manifest itself socially; secondly, the French edition is much more affirmative than the German. The French translation says "the determination of value remains dominant *because...*". In German one reads "Bleibt ...die Wertbestimmung vorherrschend *in dem sinn*, das... wird." That is, the value determination will remain predominant *in the sense that* (as in the English edition.) There is all the same a slight nuance. Marx uses an adverbial phrase, the translator indicates a consequence.

16. "Exchange-value, which presupposes a more or less developed division of labour, depending on the level of exchange itself, presupposes that, instead of one individual (the society) doing different kinds of labour and employing his labour time in different forms, each and every individual's labour time is devoted exclusively to the necessary particular functions." (*Grundrisse* p. 527)

17. We wish to say by this that there is a total transformation which takes place like during a revolution, but without requiring any violence, because the foundations of this will have been eradicated in the previous phase. It will need a great many years to accomplish.

18. This magnificent passage was commented on during a general meeting of the Internationalist Communist Party, the theme of which was the description of communist society. Cf. the resumé in *il programma comunista* no. 21, 1958. It was republished in *Bordiga Testi sul comunismo* (Ed. La Vecchia Talpa - Crimi, 1972) (French edition *Bordiga et la passion du communisme*, Spartacus, Paris, 1974)

19. Instead in capitalist society: domination of inert matter over men (cf. *Economic and Philosophic Manuscripts* p.???)

(What we indicated on the formal domination of communism is partly valid, here. To begin with, the periodization loses its validity today; also the rapidity of the realization of communism will be eater than was previously thought. Finally we must specify that communism is neither a mode of production, nor a society. (Note of May 1972).)

20. *Erscheinung* really indicates the idea of the manifestation of a phenomenon; which as such makes it appear. (Note of May 1972)

21. Cf. *il programma comunista* 1954-7: *Russia e rivoluzione nella teoria marxista* (republished by Edizioni il Formichiere, Milano, 1975) ; *Dialogato coi morti* (republished by il Fib del Tempo, Roma, 1977); *Struttura Economica e Sociale della Russia d'oggi* (republished by ed. il programma comunista, Milano, 1976); all works by Bordiga.

22. We shall have to return later to this Russian agrarian question in a detailed manner. In fact, we have fairly falsified Marx's position on the *obschina* and also we undervalued the importance it still held in 1917. (Note of Ma 1972)

23. This was fundamentally the position of Bordiga. (Note of May 1972)

24. "Capitalist joint-stock companies as much as co-operative factories should be viewed as transition forms from the capitalist mode of production to the associatec one, simply that in the one case the opposition is abolished in a negative way, and in the other in a positive way." (*Capital III* p. 572) "This social character of capital is mediated and completely realized only by the full development of the credit and banking system. (...) It thereby abolishes the private character of capital and. thus inherently bears within it, though only inherently, the abolition of capital itself. (...) the credit system will serve as a powerful lever in the course of transition from the capitalist mode of production to the mode of production of associated labour." (ibid. pp. 72-3) "The credit system ... constitutes the form of transition towards a new mode of production." (ibid. p. 572)

25. It is the economic and social movement which commands. The political movement previously tried to force it. Now the latter gets its form from the former, lead- ing to its decline in importance. The communist revolution is the political revolution with a social soul.

26. *Die Aufgaben der Sozialdemokratie in der Republik Hilferding auf den Partei zu Kiel, Mai 1927* (SPD, Berlin).

27. *Potere Operaio* was to reinvent this formula with a slightly different content but with the same praise of politics. (note of May 1972)

28. Hilferding also described how the proletariat will become the ruling class in a mystified form: "(The political economy of the working class) means ever increasingly to submit capitalist society to the growing influence of the working class, the political principle of the working class ever increasingly to win the state to be used as the means for directing and dominating the economy for the general interest." "(Bravo!)" (p. 8)

## Chapter 8: Conclusions

(a) Questions of method

(b) Importance of the *Results*

(c) Revolutionary programme and anti-democracy, importance of *Capital* Volume I

### A. Questions of method

#### 1) Abstraction and. Reality

To conclude this study of the economic work of Marx, which remains fragmentary by force of circumstances, if only because not all of Marx's works have been published, it is best to make some observations on method.

The analysis of *Capital* has made some state that Marx proceeded from the abstract to the concrete; from the abstract phenomenon deduced from reality one would proceed through successive integrations, ending with the concrete reality of society in motion. On the other hand, Lenin said that one had to study Hegel in order to understand *Capital* particularly to understand the transformation of money into capital. Nevertheless, in the light of other works (e.g. the *Grundrisse*) it seems that it may not necessarily be so<sup>[1]</sup>. We shall not deal with the problem in depth here, but limit ourselves to indicating some vital points. Otherwise it would be necessary to take up in detail the entire 'Introduction', causing a great lengthening of this work.

Regarding abstraction, it has often been remarked that Marx reasoned with a model of society composed of three classes in mind:

landowners

capitalists

proletarians

But it is well known that this model has never been realized in reality, since, apart from those indicated, there are also other, impure, classes<sup>[2]</sup>. Also, Marx insisted on the difference between appearance and reality, the first reflected directly in thought, the second having to be discovered by science (cf. *Capital* I, p. 682)<sup>[3]</sup>.

Moreover, an historical fact underpins the work. We have named it "the three moments":

-1) birth of capitalism

-2) fully developed capitalist society

-3) description of communism<sup>[4]</sup>

They were not given in a linear exposition, but in relation to some well determined questions and without any transition, any warning, one passes from one moment to another.

The historical method appears more clearly when, for example, Marx explains first surplus-value and then the forms derived from it. Here the abstraction fits in with the historical analysis. It was also over value and surplus-value that Marx reproached Ricardo and Smith for wanting the science before the science, pretending to explain secondary forms before having clarified the original form.

Nevertheless, this is still insufficient to characterize the method. Initially, in fact, Marx does not start with an abstraction, but rather with a phenomenon as it appeared; revealing the contradiction that it hides. Only then does he pass from phenomenon to reality (substrate), and simultaneously explained the mystification that has been able to take place<sup>[5]</sup>. This we noted in the *Results* in the analysis of the origin of capital.

Thus Marx lays bare reality and indicates the link between apparent movement and real movement. But the apparent phenomenon autonomizes itself and no longer seems to be linked with what previously had been shown as its reality (mystification), hence the need to study this movement as such, otherwise one would end up without understanding one jot of all the modern phenomena of capital. However, autonomization has not suppressed the real phenomon which one has to study in its evolution, i.e. the deepening of its character of selfvalorizing value, value in process.

However, Marx analyses capital as a whole and deals successively with particular aspects of the life of this imprisoned, being. If one considers his work, not only regarding the nature and. evolution of capital, but also regarding the forms of production as a whole, one can state how the method remains the same. Thus, regarding value, its genesis, different forms etc., the phenomenon is not simply abstract, but is given in relation to other phenomena: dissolution of the community, appearance of private property, the individual etc..

## 2) Dialectic of capital and economic movement

Marx observes in the *Urtext*:

"One can see at this determinate point how the dialectical form of representation is correct if it knows its own limits." (p. 945)

The exposition of the movement of value presupposes the knowledge of primitive' communism and scientific communism.

(a) Marx insisted at length that the first exchanges took place between communities. The individual presupposed a long historical development, with the corollary of the destruction of the community. It was due to a false individual presupposition that the classical economists and the first socialists entered a blind alley. They began with an element that has already been produced and wished that the social process would return to it. This is why the most they could imagine for human future was the egalitarian society Marx criticized very violently in the *Economic and Philosophic Manuscripts* and in the *Urtext*. The real presupposition is the community and the real solution is communism. Only the theory of the proletariat is founded on this historical and social presupposition, hence its originality<sup>[6]</sup>.

(b) On the other hand, Marx derives his understanding of the most fundamental tendencies of capitalist society from the precise and material vision of future society:

"Human anatomy contains a key to the anatomy of the ape. The intimations of higher development among the subordinate animal species, however, can be understood only after the higher development is already known." (*Grundrisse* p.105)

Knowing the limits means having determined the basis and the final result of the movement. Otherwise, the dialectic would remain an immaterial movement, implying that the real material data were not grasped in their movement. Here one leaves the human community which is restricted and limited, dominated by nature, to reach the universal human community that dominates nature. Its subject is real man, the producing - consuming species.

## 3) Social relations and dialectic

In the *Grundrisse* Marx indicates how, with capital, social relations have lost their rigidity and have become processes. This is one of the basic aspects of the explanation of capital. Ricardo's limitation was not to "grasp the relation between objectified and living labour in its living movement." (*Grundrisse* p. 553)

"As the subject predominant over the different phases of this movement, as value sustaining and multiplying itself in it, as the subject of these metamorphoses proceeding in a circular course - as a spiral, as an expanding circle - capital is *circulating capital*. (ibid. p. 620)

One could say that society has seen two privileged moments in which the social relations were also set in motion. First, during the destruction of primitive communism and the formation of class society. Hence the dialectic of the earliest Greek philosophers. They saw the movement in its becoming. They clearly sensed it to be linked to the social world, but they did not succeed in understanding it. Also they interpreted it with facts from the past (the old naturalistic conceptions), while trying to explain its becoming. Thus they sought conciliation or reconciliation with natural forces and with nature. The second moment occurred during the destruction of feudalism which, to some extent, had restored the old community (the movement of value was blocked), but with personal relations of dependence. This period was theorized by Hegel:

"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*. (*Economic and Philosophic Manuscripts*, MECW 3 pp. 332-3)

It is clear in this conception that man is no longer based on a natural, material mediation, the land, nor on a personal mediation, but on labour itself. This implies that man has been cutoff from the community:

"The *Phenomenology* is, therefore, a hidden, mystifying and still uncertain criticism; but inasmuch as it depicts man's *estrangement* even though man appears only as mind, there lie concealed in it *all* the elements of criticism already *prepared* and *elaborated* in a manner often rising far above the Hegelian standpoint." (ibid. p. 332)

Hegel individualized the movement very clearly without, however, perceiving its content; he only grasped the appearance. His philosophy therefore remained a description, in abstract form, of the passage from feudal to bourgeois society:

"*Logic* - mind's *coin of the realm* the speculative or *mental value* of man and nature . . ." (ibid. p.330)

For Hegel, the becoming was manifest, and in any case he only saw the being in alienated abstract labour; he did not discover the real being. The social relations had been set in motion and tended to consolidate themselves in a new structure, but of what kind? And what would be the being in this structure? The base of capitalist development was too weak, as was the proletariat, so Hegel sought the end to alienation in thought: "The whole process therefore ends with absolute knowledge." (ibid. p. 331)<sup>[7]</sup>. But the destruction of alienation definitively revealed itself to be a conciliation. In fact, at the higher level of the development of the idea, the state, there was an accommodation - as Marx says between the movement perceived by Hegel and the old society. With Hegel there was the basic theory of opportunism which resolved no problems but which tried to do so by taking recourse in expedients, in the cunning of reason. For Hegel, the being of the dialectic remained abstract man, and the mediation between abstract men remained the state, with all its institutions.

The real being was still to be discovered. The clash between capital and proletarians was needed to show the direction of this movement and for the dialectic to achieve reality. For Marx, the real movement tends to communism; capitalism itself is merely a transitory phase between the destruction of the feudal community and the formation of the human community.

The class struggles of the early nineteenth century demonstrated the subject of the transformation of class society into classless society: the proletariat (1843). The real being, the enigma resolved, is found: communism. No more conciliation, interpretation, accommodation, then. The proletariat is the end of philosophy.

With Hegel, the dialectic was a phrase without content:

"... my method of presentation is *not* Hegelian, since I am a materialist and Hegel is an idealist. Hegel's dialectics 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." (Marx to Kugelman, 6.3.1868, in MESC p. 187)

The dialectic found this content in Marxism. But here the presuppositions themselves were overthrown. This also explains why Marx starts a detailed critique of Hegel's system at the end of the *Economic and Philosophic Manuscripts* - the first draft of *Capital*.

Thus there appeared a link between theory (which would otherwise have remained outside reality) and practice. One made the other fruitful. In fact, the proletariat as living opposition was brought to pose the social question in the name of humanity. Marx underlines this from the very start of his activity (*Contribution to the Critique of Hegel's Philosophy of Law*). Marx explains how the proletariat manifests a universal being and unveils a full vision of the social becoming (cf. the polemic with Ruge over the Silesian workers' revolt).

In previous epochs, the movement seemed external to man, oppressing and breaking him down with the inexorability of an external fatality. Hence the dialectic of the first Greek philosophers who, although they had a materialist presupposition, remained idealist because their dialectic did not have a social basis. Man lies at the centre of the movement with capital<sup>[9]</sup>, while, as we have seen, it was only at the moment when the movement of value, form without content, and that of the expropriation of men, substance without form, fuse that we have the autonomization of value (so too of capital).

Capital subjugates a social relation which enters its process. Hegel did not see the social aspect of this material content (the growth of wealth as was said at the dawn of capitalism); he described a movement without content, giving rise to his dialectic of alienated labour, which is merely alienated intellectual labour. However, the dialectic does not remain empty in Marxism, its presupposition is not a material, but a social, fact. It is no longer a form which can have whatever content, but that this content, being, provides it with the form. The being is the proletariat, whose emancipation is that of humanity.

### ***B. The Importance of the Results***

The *Results* either deals with themes not considered in other works, or concludes research begun in them; it is sometimes an alternative development of a discovery shown in detail in another text. It has a quite unique unity, although it presupposes the illumination of the origins of value in particular. It is a synthesis, but, as this is often the case in Marx, it spills beyond its bounds and poses elements or even conclusions which have to be clarified by a later series of developments. Such a synthesis sometimes gives the science before the science. Perhaps this is why it remained unpublished. It anticipated too much. The method used in it, however, presents an enormous advantage; it provides the historical thread as a salient into history. The essential events are thrown into relief, inessential events left in the "background", but still luminous. Marx, the tireless theoretical mole, restarts his analysis after this short-cut.

The rigour of the expression, which grasps the movement in its becoming, shows that the method of exposition in the *Grundrisse* and in the *Contribution* - particularly in the *Urtext* with its marbled antitheses, its "philosophical" insights, was no an hegelian sequel, but a correct way of transmitting reality in its



multiplicity of aspects. The link between the two aspects of the method - research and exposition - appears most clearly in the *Results* and in the *Grundrisse*. The former is the key to the entire economic work of Marx.

### ***C. Revolutionary Programme and Anti-Democratism, Importance of Capital Volume I***

Marx completed his basic research in the 1860s (the *Grundrisse*) but all the same only a small part of his work was published during his lifetime - *Capital* Volume I. Only a difficulty over exposition prevented him from publishing it in its entirety. Marx noted the complete non-receptiveness of the world of his time regarding his great discoveries. The *Contribution* met with no success. Then he sought to be more didactic. Yet the *Results* with its ardent dialectic, seems clearer than Volume I. Instead of presenting capital as a whole, Marx split it into production process and circulation process. It was useless to explain that together they formed the total real production process of capital, and this split only created errors, particularly the undervaluing of the latter process, where research entered a blind alley<sup>[9]</sup>, the opinion that there is a latent contradiction between surplus-value and profit in Marx, the theory of production price merely being an expedient to resolve it. Marx analysed from the beginning the two elements in the *Grundrisse*, thus destroying any speculation as to his accommodation.

We do not intend to exhaust the problem, but to pose it in its real terms. It is not a question of knowing why in fact Marx only published Volume I, but rather of understanding how this was sufficient for the proletarian struggle of that time. As we said in the 'Introduction', it is the revolutionary programme of the class. There Marx gives an exposition of the genesis of this class, its struggle against capital, indicating the arms of the two enemies: the economy, war machine against the proletariat, while the latter has its organization (political party), the assault of the proletariat on capital, its destruction, and the description of communist society.

"The monopoly of capital becomes a fetter upon the mode of production which has flourished alongside and under it. The centralization of the means of production and the socialization of labour reach a point at which they become incompatible with their capitalist integument. This integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated." (*Capital* I, p. 929)

*Capital* appeared in 1867, the International Workingmen's Association dates from 1864. The *Manifesto of the Communist Party* indicated the main outlines of the evolution of society, as well as the solution to the bourgeois - proletarians conflict, but the theoretical and practical facts are insufficient for the struggle against the class enemy and for the social transformation. With *Capital* the proletariat has a programme.

There is an explanation of democracy in *Capital* Volumes II and III<sup>[10]</sup>. What matters here is not what produces surplus-value, but how it is divided, who dominates the division? The two volumes explain the autonomization of capital and the triumph of the democratic mystification, linked with the defeat of the 1848 revolution. Then socialism could have taken off on the basis of the already amply developed capitalist relations. Socialism was again defeated in 1871. But the revolutionaries did not think that the counter-revolution would last so long, so the study of the phenomenal forms of capital did not seem urgent or necessary. Unfortunately this was not the case. Also, the social-democrats and the various elements calling themselves marxist fell victim to the apparent phenomenon that they interpreted, instead of drawing from Marx's work the explanation of the flourishing of capital and the associated secondary phenomena. There was revisionism. Bernstein is the first theoretician of capital that has reached a stage where it seems to resolve its contradictions, because it momentarily overcomes them by organizing itself into a being with an auto-regulatory tendency, as the middle classes, whose development would be the total invalidation of Marxism!

Besides, a little later, imperialism was mentioned as an explanation of the phase of high levels of capital concentration with the development of monopolies. This is staying on the surface, while Marx had already offered a penetrating explanation of the phenomenon<sup>[11]</sup>.

Lenin himself did not, or could not (he was otherwise occupied), get to the root of the problem. He has the great merit of stating that it was only the manifestation of a stage (the last) of capitalism, and not something qualitatively different.

The material community has developed and tends to preserve its existence, to fix the social relations, which become increasingly reified<sup>[12]</sup>, so that the contradictions seem to be overcome, because they are enclosed in an opaque sphere. But the Party, holder of the resolution of the enigma, sees through the fixed appearance of things to the real movement. The slowed-down class-struggle will restart with passion when the crisis breaks down the sphere in which the proletariat is held prisoner. Then it will again be the subject of the historical movement, which the democratic mystification has been able to stop, but it can never abolish the impact:

### Communism.

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1. Marx spoke of research method and method of exposition in the 'Preface' to *Capital* Volume I. The research method is an implacable analysis leaving no aspect of the phenomenon unexplored, but it is also an analysis that does not fix the phenomenon. The method of exposition is the dialectic. But this requires precise details, since it might seem that there could be some split between the two methods.

(Let us add that we reject expressions such as historical materialism and dialectical materialism, because they are inapt or describing Marx's theory and thus communism as theory. The terms suffer from an immediate delimitation from bourgeois mechanistic materialism thriving its historical rise. Like others before us, we state that historical materialism is really an engelsian theory (arising after 1870). We may add that it corresponds to the transformation of the theory into ideology. It is the ideology of the proletariat in the period of capital's formal domination; of the proletariat that contests the power of capital so as to direct the development of the productive forces which would create the conditions for communist society. It is only a justification-representation of a particular moment of the proletariat's life. - Note, May 1972)

2. Cf. Bordiga's study of the agrarian question in *il programma comunista* nos. 21-3, 1953 and 1-12, 1954 (now in *Mai la merce sfamera l'uomo*, Iskra ed., Milan, 1979); the Asti meeting of 1954 *Vulcano della produzione o palude del mercato?* in *il programma comunista* nos. 13-19, 1954 (now in *Economia marxista ed economia controrivoluzionaria* Iskra ed., Milan, 1976); *Elementi dell'economia marxista* in *Prometeo* 1947-50 (republished by ed. *il programma comunista*, Milan, 1972).

Cf. Marx too: "...Ricardo commits all these blunders, because he attempts to carry through his identification of the rate of surplus-value with the rate of profit by means of forced abstractions. The vulgar mob has therefore concluded that theoretical truths are abstractions which are at variance with reality, instead of seeing, on the contrary, that Ricardo does not carry true abstract thinking far enough and is therefore driven into false abstraction." (TSV II p. 4)

3. "That in their appearance things are often presented in an inverted way is something fairly familiar in every science, apart from political economy." (*Capital* I p. 677)

4. Cf. on this Bordiga's text *La scienza economica marxista come programma rivoluzionario* (*Invariance* Serie I no. 7, pp. 113-130), and the book *Testi sul comunismo* (Ed. Crimi - La Vecchia Talpa, Firenze - Napoli, 1972)

5. "Finally we come to the matter of the *forms of appearance* which serve as the *point of departure* of vulgar political economy rent springs from land, profit (interest) from capital, wages from labour. But the thing appears differently from our point of view. The apparent movement explains itself. (...) The overall movement in this apparent form. Finally, given the 3 elements (wages, rent, profit (interest) as the sources of revenue of the three classes of landowners, capitalists and wage labourers - the solution *class struggle* in which the movement is resolved and the solution to all this shit." (Marx to Engels 30.4.1868, in MEW B 32 pp. 74-5)

6. "The more deeply we go back into history, the more does the individual, and hence also the producing individual, appear as dependent, as belonging to a greater whole." (*Grundrisse* p. 84)

7. "In this way Hegel fell into the illusion of conceiving the real as the product of thought concentrating itself, probing its own depths, and unfolding itself out of itself, whereas the method of rising from the abstract to the concrete is only the way in which thought appropriates the concrete, reproduces it as the concrete in the mind." (*Grundrisse* p. 101)

8. "In this totally estranged form of profit and in the same measure as the form of profit hides its inner core, capital more and more acquires a reified form, is transformed more and more from a relationship into a thing, but a thing which embodies ' which has absorbed the social relationship, a thing which has acquired a fictitious life and independent existence in relation to itself, a material-transcendental being; in this form of *capital and profit* it appears superficially as a ready-made precondition. It is the form of its actuality, or rather its actual form of existence. And it is the form in which it exists  $\in$  the consciousness and is reflected in the imagination of its representatives: the capitalists.

"This fixed and ossified (metamorphosed) form of profit (and thereby of capital as its producer, for capital is the cause and profit is the result; capital is the reason, profit is the effect; capital is the substance, profit is the adjunct; capital is capital only insofar as it yields profit, only insofar as it is a value which produces profit, an additional value)..." (TSV III p. 483)

As Molitor's translation of the *Theories of Surplus Value* which provided the basis of our reasoning, totally deforms Marx's thought, leaving us below the level of Marx's perspective, we have given a fuller citation here. Marx shows that capital realizes the Hegelian project (substance becomes subject) and even supersedes it; it is the realization and supersession of the philosophy of Hegel. The immediate form in which capital appears ( $M - M'$ ), is therefore the absolute form it achieves, just as absolute knowledge is already in the immediate future and aim of capital (beginning of the *Phenomenology of Spirit*). So there is the substitution of knowledge by form. However, this is no longer the simple form that we began with, it is reified (*sachliche* indicates the result, while *Versachlichung* expresses the movement of reification) while the form is capital, which to begin with was the substance subject, and this is concomitant with another inversion capital was not a thing but a social relation; it has become a thing, which implies that capital has embodied its relation with wage-labour, just as it embodies commodity fetishism, because, like the commodity, it is material-transcendental.

Marx then shows how capital realizes and shatters philosophy, since it can pose as immanence and substance, as form and transcendence etc.. This recalls various philosophies, such as those of the Renaissance, Spinoza, and clearly Hegel too. Capital has become absolute representation: everything men do is reflected in it; it can be the spectacle of the world in that it reflects, returns to all beings their various movements integrated into its life process. There can no longer be a given activity, with its representation, which, on the terrain of the society of capital, can be antagonistic to it, can threaten it. The movement of the negation must take place outside it, the refusal has to be the refusal of capital and of work. (Note of 1972)

9. This happened with Rosa Luxemburg.

10. One should bear in mind that, at this level, it is a democracy founded by capital, whose old, purely political determinations have been superseded. (Note of May 1972)

11. For example, regarding interest bearing capital (financial capital), the absolute form of capital: "On the one hand, this expresses the absolute form of capital  $M - M'$ , self-valourizing value. On the other hand, the intermediate link C, which still exists in genuine merchant capital whose formula is  $M - C - M'$ , has disappeared. Only the relation of M to itself and measured by itself remains. It is capital expressly removed, separated from the process, as an antecedent it stands outside the process whose result it is and through which alone it is capital." (TSV III p. 486)

12. "... this personification of things and reification of the relations of production, this religion of everyday life..." (*Capital* III, p. 969)

## *Postscript*

This brief study, starting from the attempt to situate the *Results of the immediate Process of Production* is linked in fact to the entire work of our party in its effort to clarify and to systematize the corpus of our theory, collating it with the socio-economic movement. Marxism has had to struggle not only against direct and insidious opponents, but especially against those who, at a certain moment, found a place for themselves inside the workers' movement. Long before those people, who sought to undermine the theory on a theoretical level, came the revisionists, who, even during the lifetimes of Marx and Engels, put to one side or falsified important sections of their work. The *Critique of the Gotha Programme* or the 1895 'Preface' to the *Class Struggles in France* are the best known cases. But there was also Volume IV of *Capital* expurgated by Kautsky, and the *Grundrisse* and the *Results* which had to await the 1917 revolution before being brought to the attention of the proletariat.

As we said in the 'Conclusions' to this work, clearly the proletariat was sufficiently hardened by *Capital* Volume I alone to conclude its revolution. Unfortunately 1871 and later the period 1917-1926 showed the difficulty of the struggle, and each time the counter-revolution led to doubts about the theory inside the working class. It could only begin again if preceded by a long work of recuperation of the theory.

We need all our forces to resist the attack of revisionism, doubt and defeatism in this society in which the counter-revolution triumphs as never before<sup>1)</sup>. All so-called new phenomena on which these three viruses proliferate were already described by Marx, as was the increasing importance of the circulation period in the life of capital: devalorization. Attacks on these three viruses may seem desparate, given the weakness of the forces available to us, however this has already been done. One has only to discover it in the unpublished works.

History grants a period of truce to the revolutionary movement during which it can criticize itself and finish with the hang-overs of the past. If we know how to use it collectively to complete the work initiated by Marx and Engels, we will thereby win a huge victory, a certain guarantee for the future class struggle.

Rosa Luxemburg tried to clarify the relationships between marxist theory and the needs of the proletariat in the conduct of its class struggle during her notable struggle against revisionism:

"But Marx's creation too, which as a scientific achievement is a titanic whole, transcends the plain demands of the proletarian class struggle for whose purposes it was created. Both in his detailed and comprehensive analysis of the capitalist economy, and in his method of historical research with its immeasurable field of application, Marx has offered much more than was directly essential for the practical conduct of the class war.

"Only in proportion as our movement progresses, and demands the solution of new practical problems do we dip once more into the treasury of Marx's thought, in order to extract therefrom and to utilize new fragments of his doctrine. But since our movement, like all practical struggles, inclines to go on working in old ruts of-thought, and to cling to principles after they have ceased to be valid, the theoretical utilization of the marxist system proceeds very slowly.

"If, then, today we detect a stagnation in our movement as far as these theoretical matters are concerned, this is not because the marxist theory upon which we are nourished is incapable of development or has become "out-of-date". On the contrary, it is because we have not yet learned how to make an adequate use of the most important mental weapons which we had taken out of the marxist arsenal on account of our urgent need for them in the earlier stages of our struggle. It is not true that, as far as the practical struggle is concerned, Marx is "out-of-date", that we have superseded Marx. On the contrary, Marx in his scientific creation, has outstripped *us* as a party of practical fighters."

"It is not true that Marx no longer suffices for our needs. On the contrary, our needs are not yet adequate for the utilization of Marx's ideas."

"Thus do the conditions of proletarian existence in contemporary society, conditions first elucidated by marxist theory, take vengeance by the fate they impose upon marxist theory itself. Though that theory is an incomparable instrument of intellectual culture, it remains unused because, while it is inapplicable to bourgeois class culture, it greatly transcends the needs of the working class in the matter of weapons for the daily struggle. Not until the working class has been liberated from its present conditions of existence will the marxist method of research be socialized in conjunction with other means of production, so that it can be fully utilized for the benefit of humanity at large, and so that it can be developed to the full measure of its functional capacity." [2]

Now "our needs" force us to use marxist theory in its totality. It is because the opposite has been realized, or because this has not been realized, that there is an apparent stagnation of Marxism, a stereotyped fixation in the explanation of a phenomenon which has certainly evolved in the meanwhile, but whose evolution was described in Marx's work.

There are complex phenomena deriving from the autonomization of capital. One wishes to explain them using the analysis of *Capital* Volume I, or, at best, by recourse to the law of the tendential fall in the rate of profit. *Capital* Volume I, however, explains a process detached from apparent phenomena, and the question is how to understand these in relation to the real movement. The tendential fall in the rate of profit is only the expression of the contradiction between valorization and devalorization, socialization and privatization, which Marx analysed in detail in the *Grundrisse*. The means of study is becoming increasingly inadequate for the reality to be studied, not because of Marxism's weakness, but because it has been put out to grass. Another example is provided by automation which was explained in the same work. In a certain sense, Marxism has been mummified in its explanation of liberal capitalism, and, one adds, Lenin completed it with *Imperialism*. Marxism has frozen because it has been possible to "stabilize" the same social relations, the material community of capital includes everything and limits to the maximum the movement of its own disaggregation. Consequently Marxism, the theory of social movement, has been transformed into a metaphysics of capital, simultaneously losing its foresight and description of the future society. To be able to realize that, supposedly it would first be necessary to construct communism. Therefore, generally only a part of this theory describing the birth and development of capital is used, and this is the didactic form which brings it to a halt, and in which Marx was constrained to present it so as to make himself understood. The part where Marx shows the being in its becoming (value in process); the impersonal being which becomes man himself the material community; this is not used. Marx described communism more than once as the culmination of the evolution of the real capitalist movement, as the transitional period in which the communist form is so powerful that capital scarcely succeeds in enclosing and containing it. This transitional period is the one Lenin talked about and which we are now living.

Finally the historical thread found throughout Marx's works, was masked, veiled and then lost. It is the thread linking the two great periods of human history- primitive communism and scientific communism. The human community has been destroyed, the proletariat's mission is to provide society with human power. The substrate of this transformation lies in the real movement - the whole economic movement tends towards communism. The aspiration of the proletariat is thought approaching reality, because reality precedes the idea. Society can only be emancipated by the Proletarian Revolution. The question of the community is therefore the CENTRAL question of the proletarian movement. It can be presented synthetically as follows:

- (a) Primitive human community.
- (b) Its destruction and the development of two movements: that of value and that of human expropriation.
- (c) Formation of the material community at the moment of the fusion of the two movements which were previously separate: capital - value in process.

(d) Scientific communism, the rediscovered human community which integrates all the acquisitions of previous periods.

How can one pass from (c) to (d) if the proletariat does not constitute itself as a party, a community which grafts itself onto the real movement, communism imprisoned by capitalism?

The proletarian movement's appeal to Marxism seems like a claim to a derisory, ridiculous armament only because it does not use Marxism's entire theoretical field and this is another form of the abandonment of its historical task. The huge reinforcement of its enemy forces the proletariat to REVIVE MARXISM IN ITS TOTALITY. In other words, the restoration is not only the rectification of the errors of Stalinists, Khrushchevists and Trotskyists, but also the return to the COMPLETE WORK and confronting reality with it. This also enables one to explain and refute the skeleton of Marxism of every official theory propagated under that name.

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1. The reader should note that this text was finished in late 1966. The end of the counterrevolutionary period appeared from May 1968 onwards, as we said in *Mai-Juin 1968: theorie et action* (*Invariance* Série I, n. 3, 1968 - republished in *Invariance* Serie III nn: 5-6 pp. 47-51)(Note of 1972)

2. 'Stillstand und Fortschritt im Marxismus', *Vorwärts* (Berlin) Nr. 62, 14.3.03., now in Rosa Luxemburg *Gesammelte Werke* Band 1 (1883-1905) Zweiter Halbband (Dietz Verlag, Berlin-E., 1972) p. 368. English translation in *Rosa Luxemburg Speaks* ed. Mary-Alice Waters (Pathfinder, New York, 1970)p. 111.

## Remarks

Work on the *Results of the Immediate Process of Production* was begun in 1964 and completed in 1966. It was only published in 1968 in *Invariance* Série I no. 2. Until 1966 we were members of the International Communist Party. The introduction of the above work appeared in an Italian translation in *il programma comunista* no. 19, 1966. This explains the references to a work of the party<sup>[1]</sup>. However, we thought (just like Bordiga) that the real, effective, party would only appear in the distant future. What was essential for us was not the contingent organization which wishes to pose as formal party, but the party in its larger historical meaning. All the same, we diverged from Bordiga who accorded too much importance to the ICP, and fostered illusions in its capacity for practical intervention. This explains why we have not thought it necessary to make changes in the body of the text.

One of our aims in writing this work was to synthesize Bordiga's works on the critique of political economy and to integrate them into the whole theory. Hence the numerous references to his works, even if they were cited anonymously at the time. Most of the texts which served as a basis for reflection on our research have been translated and published in *Invariance* some others in *Le Fil du Temps*<sup>[2]</sup>, most importantly the text on the agrarian question.

Another aim was to put forward facts on the question of the *Gemeinwesen* (community) which was already dealt with in *Origine et fonction de la forme parti*<sup>[3]</sup> in 1961, and in the study of the French workers' movement in 1964 (published in *Invariance* Serie I no. 10, 1971), which constituted a point of divergence between ourselves and the majority of the members of the ICP. We were also already deeply convinced that the works of marxists on the recent development of the capitalist mode of production were insufficient and superficial, particularly those of Lenin, and even more so the few remarks to which Trotsky's contribution on the subject boils down. We straight away had to readopt Marx's theoretical activity regarding the economy.

Some translations of Marx's work and some studies on his economic writings have appeared since *Invariance* Série I no. 2 was published. We must briefly indicate them so as better to situate our own work.

Firstly, it should be noted that the *Results*, which appeared in German and in Russian in 1933, passed unnoticed at that time. A really widespread diffusion had to await 1969 when it appeared as *Resultate des unmittelbaren Produktions-prozesses* (Archiv Sozialistischer Literatur 17, Verlag Neue Kritik Frankfurt) Since then it has been amply cited in various reviews (cf. in particular *Sozialistische Politik* no 8, 1970).

In Italy there was firstly the production of a resumé of it in *il programma comunista* nos. 5-6, 1966, in which Bordiga indicates in conclusion what he considers as being most important:

"The importance of this unpublished version of Marx's text, as we have tried to show, is that he already developed the theory of the value added by labour in production, in a manner coherent with with the revolutionary programme and directly opposed to the degenerate modern and opportunist form of the *politics of revenue*, and this a century ago.

"Even after a century, Marx is ever more *present-day*." (Rapporto sugli argomenti trattati nel Capitolo VI inedito di Carlo Marx in *il programma comunista* no. 6 1966, p. 3)

A full translation was later published by La Nuova Italia in 1969, entitled *Il Capitale libro I, capitolo VI inedito*. The translation is by Bruno Maffi, who also wrote an introduction which shows how far one can translate a text without understanding it.

In France, besides the translation of the Italian resumé published in *Programme Communiste* no. 35, there was also an incomplete translation in 1967, by M. Rubel *Resultats du proces immediat de la production* in *Cahiers de l'ISEA.*, Section marxologie.



The translation of the Grundrisse appeared in 1968 under the title *Fondements de la critique de l' économie politique*, Ed. Anthropos. We noted and criticized the absurdity stated by the translator in his preface that the law of value would be destroyed by capital (cf. *Invariance* Série I, no 3 pp. 111-115). We also remarked how far he had used Bordiga's works on the critique of political economy in writing his notes.

A complete French translation of the *Results* appeared in 1971. We have already noted in the preceding pages and made some critical remarks on the translator's presentation by Dangeville. Let us say that what is best in it is from Bordiga. The table on pages 30-31 was first published in *il programma comunista* no. 6 1966, then in *Programme Communiste* no. 35 p. 70. What is worst is the reduction of Marx's work to a Leninist catechism which is recited with ostentation in all of Dangeville's works. This attains hypertelic cretinism in the collection *Le Syndicalisme* (Petite Collection Naspero - 69, 1972) where, full of magical verve, Dangeville delivers a discourse on the eternity of capital, naturally not as it appears at the pole of valorization, but as it manifests itself at the pole of labour. A few citations will suffice to 'illuminate' everybody:

"thus the trade union question continues to pose itself after the conquest of power." (t.1 p. 62)

This does not prevent him from recognizing that there can be

"integration of the unions in the capitalist state institutions." (t. 2 p. 192)

"The slogan of the general and massive reduction of the working day is also inseparable from the struggle against the union leaders who subordinate the interest of the workers to those of national production, democracy and legality. It thus also implies the seizure of the union leadership by the revolutionary marxist party, which links all its demands, even immediate ones, to the objective of the violent destruction of the state and the capitalist form of production. If the capitalist system cannot satisfy these demands, one must quite simply change it for socialism, that is, to pose clearly and vigorously the question of revolution." (ibid. p. 98)

Thus the revolution becomes "quite simply" the solution to the union question; it appears "quite simply" as a chastisement inflicted on capitalism for its poor management. It is the compendium of the Lenin-Trotskyist gibberish.

Such aberrations come from the fact that Dangeville, like all his kind, do not think of the real domination of capital and the communist revolution on the basis of this moment in the life of capital. Marx was entirely correct, in the last century, to pose as practical tasks the generalization of the condition of the proletariat, the growth of the productive forces, the shortening of the working day etc.. Not only did he propose it to the proletarians, but, concerning the shortening of the working day, he wished the state itself would apply it, by means of coercion as much for the capitalists as for the proletarians. There was a double aim: unifying the proletarian class, since the working day would be the same for everyone, and forcing capital to develop. This attitude of Marx is what we call, following Bordiga, his revolutionary reformism, which defines a moment of his work, but which no longer has any relation to the situation today.

At the end of 1968, M. Rubel published tome II of the works of Marx on economics, which he also presented as *Economie* because Rubel thinks that Marx's aim was to write such a work. But if it is true that the economic work of Marx is not limited to *Capital* it is an abuse to say that Marx wished to write an *Economics*. This interpretation also exceeds to a great degree in censoring because its author discards large sections of certain works under the pretext of avoiding repetitions when constituting *Economie*. This led him, for example, to publish only a few fragments of the *Results* and the *Grundrisse*. Now it is untrue that the repetitions were without any importance in reaching a deeper understanding of Marx's thought. The same method led Rubel to condense *Capital* Volumes II and III into one, which in no way provides a superior version to the one that Engels produced.

Rubel is right to criticize Engels:

"One can therefore, say that Engels did both too much and too little for Volume II as for Volume III of *Capital* too much in giving it the appearance of a finished work, too little in discarding his choice of manuscripts, the full publication of which has revealed important aspects of the scientific enterprise of Marx, and also simultaneously better helps us understand why it remained unfinished."

However, he ought to have followed his own conclusions from his critique and published all the manuscripts of Volumes II and III.

In the *Economie* we have at the very most a juxtaposition of texts, but not a work as the title may make one think. The introduction does not efface this impression because: 1. there is a global interpretation of Marx's thought which we do not want to discuss here: ethics; 2. this is a deep understanding of Marx's theory and of his research. This method of understanding is clearly revealed in a chapter of the introduction "Une legende: le changement du plan de l'economie" ('A legend: the changing of the plan of *Economics*'). Rubel wishes to show that *Capital* is only a part of *Economics*. However, it is undeniable that Marx modified his plan even if he dealt with the same questions as before. The first plan is in the *Economic and Philosophic Manuscripts*. It was from then on that he increased his study of capital such that in the 1860s, after all the work that resulted in the *Grundrisse* he recognized that the becoming of capital was to constitute its itself as totality, as a being, that all the old presuppositions are progressively replaced by it. Henceforth it was meaningless to give separate expositions of capital, wages, landed property, the state, foreign trade, the world market. Instead Marx produced *Capital* where one finds the same elements. The work's title became *Capital* the old title became the sub-title *Critique of Political Economy*. The latter is merely a formal statement to establish a continuity between the work published in 1859 and that in 1867. In fact, for Marx, the becoming of that science is inseparable from that of capital. Originally, during the irruption of capital onto the social stage, political economy was revolutionary; but later became, in the form of vulgar economy, an acritical apologia for capital; later there was university economics, the form in which it survives up to the present. Since capital became fictitious capital, political economy became more and more a fiction, on the one hand, and management science on the other. In parallel, the integrated opponents, the socialists, became managers.

What Rubel underlines very infrequently is that *Capital* is the description of communism, the positive negation of capital and political economy. This was, on the contrary, a fundamental statement of the Italian communist left (Bordiga), whose truth would emerge in all its fullness if we were to have available all the unpublished manuscripts held in Moscow.

To end our discussion of this edition of the works of Marx, we should say that Rubel restitutes many censured pages in his notes, which makes even more difficult the understanding of the chain of demonstrations. He has, on the other hand, the merit of showing the complete stupidity of those who, on right and left (Trotskyists above all), talk of socialism in the USSR. Rubel's commentaries have a certain relationship with Marx's theory, which is not the case with Mandel's works which are characterized by a pronounced cretinism (cf. especially his *Marxist Economic Theory*).

There is another category of authors who consider that they are complementing Marx's theory, modifying it or correcting it, but who, in every case, claim to start from a fact valid for the analysis of contemporary society. We are thinking of Bettelheim, Emmanuel, Palloix, Baran, Sweezy etc.. Our opinion is that they, in fact, have no relation to this theory, an integral part of communism. We note them only in so far as they are an expression of the real domination of capital which needs materialist theorizations to mask its immateriality and fictitiousness. Also, Marxism, once absorbed into the world of capitalist representation, reduced to an ideology, is transformed, thanks to them, into scholastic gibberish useful to win over the university. Here is an example of this university, capitalized Marxism:

"What characterizes the marxist approach to the theory of value are the "locuses" (lieux) of abstraction where the different components of value loom up: production process in itself

(exchange-value), circulation process in itself (use-value), the total process of capitalist production (production-. price)." (Palloix *L'economie mondiale capitaliste* p. 52)

The ease with which these locuses are exposed leads one to think that these locuses are public conveniences (*lieux d'aisance*) awash with the Althusserian spirit, but where any "looking in" (*voir*) is forbidden.

Let us finally note an interesting text first published in 1968 in Frankfurt: *Zur Entstehungsgeschichte des marxschen Kapital* by Roman Rosdolsky (English translation *The making Marx's 'Capital'*, Pluto Press, 1977). Its detailed analysis is impossible here. Let us say that its author defends a Marx who is not dressed up as a Trotskyist, Stalinist, post-Stalinist etc., that he shows a fine comprehension of the various fundamental concepts, Although not getting to the point of stating what we believe is fundamental: capital is value in process, becoming man. (March 1972)

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So as better to understand the impact of the two preceding studies<sup>[4]</sup>, it is important to indicate the point of arrival of our studies on the subject of the development of capitalism, research undertaken simultaneously so as to deepen the economic work of Marx. This point of arrival was partly shown in *Transition in Invariance* Série I no. 8<sup>[5]</sup>. It is best to add some remarks.

Capital integrates the proletariat through a double movement:

1) it capitalizes the proletariat -i.e. it creates in him the following behaviour: he considers himself as a capital thus must bear fruit, work has to be an activity with a view to a profit, and nothing else. This phenomenon occurs simultaneously with the anthropomorphosis of capital: capital becomes man. Hence its domination becomes not only natural:

"The advance of capitalist production develops a working class which by education, tradition and habit looks upon the requirements of that mode of production as self-evident natural laws. The organization of the capitalist process of production, once it is fully developed, breaks down all resistance. The constant generation of a relative surplus population keeps the law of supply and demand, and therefore wages, within narrow limits which correspond to capital's valorization requirements. The silent compulsion of economic relations sets the seal on the domination of the capitalist over the worker." (*Capital* I p. 899)

but also human, and through this last generalization of its being, it seems to disappear. When this happens, capital becomes the apologist for what was its main enemy - labour which produces surplus-value (hence profit).

During the epoch of formal domination, productive labour in the form of the worker existed partly as the essential determination of the life of capital, partly as its possible negation; the ambiguity was present in the very being of the workers (cf. *Grundrisse*)

To the extent that capital affirms itself as a total being, it succeeds in resolving this ambiguity, thus creating an internal division in the proletariat itself which is split into two parts which appear *immediately* as heterogeneous. On the one hand, an ever more important part of the remains of productive labour is raised to the rank of stable *subject* of the valorization process, specified as "qualified" activity at levels which are hierarchically different, but united as "intellectual powers" of the autonomized value; expropriation divestment, on the other hand, there is the radical expulsion of those proletarians from the production centre whose activity has an apparently insignificant result from the aspect of overall valorization, thus they constitute something "unskilled" and interchangeable. The remains of the "classical being" of the proletariat thus becomes separated and counterposed, and the "quantity of surplus-value created" ceases to determine the degree of externalization *vis-à-vis* capital.

On the overall social level, this work of splitting and destruction is completed by the ejection of a growing mass of the proletariat, which is "potentially productive", from the production process properly speaking, in harmony with the irresistible tendency for capital to reduce the ratio of labour producing surplus-value to the whole labour needed for its life (all this also explains the tremendous defeat of the proletariat during the passage from formal to real domination of capital in 1914-45).

So what some stupidly define as the "subproletariat" is only the *absolute* proletariat, the product of the final and insurmountable contradiction of value in process, that between valorization and devalorization. Their struggle is the first affirmation of communism as an immediate need.

In the USA, where the process is now complete, the split between the "productive"-workers as capital's subject and the proletariat expropriated and estranged *in* and *by* production is immediately visible, given that it is manifested in racial and national factors, which is also the last manifestation of a process that began with the nonconstitution as class of the American proletariat after the Civil War.

The exaltation of the worker thus becomes the apology of capital and the violent anger against the proletarians who refuse, in growing numbers, the law of labour.

2) the generalization of wage-labour (labour necessary for capital), even if it is nonproductive, but serves the realization of capital (formation of the new middle classes) or as activity tending to protect, to maintain the production process of capital. There is a proletarianization process (formation of those without reserves), while the number of proletarians falls. Put another way, today there is a class of wage-labourers in which the proletariat, in its old sense, has become a minority. The entire world is ruled by labour "reduced to pure abstraction" (*Grundrisse*), and, according to the official ideology, he who does not work is not a man. Work content is unimportant. It appears as a means of oppression and repression with the goal of conserving contemporary society, i.e. assuring the process of capital. It has to surround the whole field of "consciousness" so as to give birth in everyone the motivation to acquire which throws the individual into the vicious cycle and infamy of work (earning money) to live, living to work (to earn money).

So now the society of capital dominates in the name of labour and not in the name of value. Paradoxically this is the achievement of the demand of the Ricardian socialists, of Proudhon and all those who wanted the victory of labour (IWW, various councilists, the whole Trotskyists and Leninist pathology). This was not Marx's goal, whatever M. Rubel may think: "The end of the first book is the conclusion of the whole of the *Economy* where Marx did not hide the "subjective tendency": the victory of labour over capital ." For Marx, it could only be the victory of man. Labour here means, in the historical moment one was thinking about it, that of the revolution, wage-labour, the other side of capital. One can only speak of the victory of the proletarians to the extent that one simultaneously affirms that they will not realize it as proletarians, but in negating themselves, in posing man.

Now we are taking part, in a mystified form, in the domination of the proletariat as class. Mystification, because it is the immediate being of the proletariat which dominates and allows capital to continue; "adding a new value to an old, labour conserves and eternalizes capital" (*Grundrisse*). For Marx, this domination could only be that of the mediate being, i.e. the class for itself, the class which tends to dominate the socio-economic process so as to facilitate the communist development of it.

It is due to fascism that capital realized its accession to real domination, where it dominates under the aspect of labour. Fascism was the necessary movement for capital to destroy the power of the proletariat, the being capital needs to accomplish its vital process, hence the exaltation of the proletariat and the glorification of work by the fascists (labour liberates was written above the gate to Auschwitz). That is why the language of fascism has become generalized while fascism itself is a thing of the past

The result of the total movement is the production of a universal class, a numerous proletariat, proletariat is the sense of the totality of men who have no reserves (old proletariat + new middle classes). It is a universal class as it forms the largest part of the population and 'because it cannot demand in a particular way, but

only in a human way. It is the universal class Marx mentioned in *The German Ideology*. Capital does everything to prevent the unification of this class by tending to oppose the workers in work to those unemployed, foreign workers (real proletarians) to the integrated metropolitan proletarians (in both cases using racism), the new middle classes to the workers, finally preventing the students, who do not form a class, from playing a role as liaison between the new middle classes and the proletarians.

On the other hand, it is not a question of proclaiming a united front of all workers, because that would lead to drowning the small minority already formed by all of those who are really contestants, formed of those who are outside the production process and who implicitly pose communism, in the mass of those who, for the moment, do not have an immediate interest in the communist revolution. It is only through a clash of these two elements that the latter will be able to move onto the field of struggle of the former; and this move will be aided by a crisis of capital which will accentuate this struggle. The consciousness of the revolutionary phase will be produced during this clash.

The refusal of work, of wage labour, the means of oppression, the mode of capitalization of men and the eternalization of capital, is the fundamental element in the unification of the universal class. It is no longer the case of reconstituting the old proletarian class, as to do so would be to wish to check what Marx considered to be the great task of the nineteenth century: the destruction of the proletariat. In this sense, Lafargue's *Right to be Lazy*, as the refusal of the right to work, is the first, essential moment in the demand of a liberated human activity, operating from the start as the appropriation of the products of all past human activity.

During the period of the formal domination of capital, the revolution appeared inside society: the struggle of labour against capital; now it is manifested and takes place increasingly outside. The near totality of men rising against the totality of capitalist society, the struggle simultaneously against capital and labour, two aspects of the same reality: i.e. the proletariat must struggle against its own domination so as to be able to destroy itself as class and to destroy capital and classes.

Once victory is assured worldwide, the universal class which is really constituted (formation of the party according to Marx) during a huge process preceding the revolution in the struggle against capital, and which is psychologically transformed and has transformed society, will disappear, because it becomes humanity. There are no groups outside it. Communism then develops freely. Lower socialism no longer exists, and the phase of the dictatorship of the proletariat is reduced to the struggle to destroy capitalist society, the power of capital.

(December 1970)

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1. Hence also the presence of a large number of inadequate terms since eliminated, such as doctrine, senile capitalism, historical materialism, dialectical materialism etc.,

2. c/o Jacques Angot, B.P. 24, Paris 19°.

3. English translation from David Brown, BM 381, London WC1N 3XX

4. The following text was to have been the postface to the Italian translation of *Invariance* Série I nos. 2 & 6. It appeared as *Nota aggiuntiva a Transizione in Apocalisse e rivoluzione* (Ban, 1973) with some additions on the characteristics of the proletariat during formal and real domination of capital.

5. In English in *Origin and Function of the Party Form* pp. 37-42.

## ***On organization***

(note: this is the Edizioni International translation from *This world we must leave, and other essays*, published by [Autonomea](#), and is taken from <http://www.riff-raff.se>. It differs from the translation originally included in the edition put out by Unpopular books)

The following letter (dated 04.09.69) led to the dissolution of the group that had begun to form on the basis of the positions set forth in *Invariance*. The letter opened an important area of reflection and debate that has gone on since, certain conclusions of which have already been discussed in »Transition», no. 8, série 1.

Although certain points raised by the letters have been partially dealt with, others have hardly been touched upon. That's why it's necessary-given the importance of making a more clean break with the past-to publish it now. Our publishing it should enable the reader to appreciate the work accomplished thus far, and what still remains to be done.

Since it is simultaneously a break (and thus a conclusion) and a point of departure, the letter contains a certain number of imprecisions, seeds of possible errors. We shall indicate the most important ones in a note. In addition, since it was possible for us then, once we had rejected the group method, to outline »concretely» how to be revolutionaries, our rejection of the small group could have been interpreted as a return to a more or less Stirnerian individualism. As if the only guarantee from now on was going to be the subjectivity cultivated by each individual revolutionary! Not at all. It was necessary to publicly reject a certain perception of social reality and the practice connected with it, since they were a point of departure for the process of racketization. If we therefore withdrew totally from the groupuscule movement, it was to be able simultaneously to enter into liaison with other revolutionaries who had made an analogous break. Now there is a direct production of revolutionaries who supersede almost immediately the point we were at when we had to make our break. Thus, there is a potential »union» that would be considered if we were not to carry the break with the political point of view to the depths of our individual consciousnesses. Since the essence of politics is fundamentally representation, each group is forever trying to project an impressive image on the social screen. The groups are always explaining how they represent themselves in order to be recognized by certain people as the vanguard for representing others, the class. This is revealed in the famous »what distinguishes us» of various small groups in search of recognition. All delimitation is limitation and often leads rather rapidly to reducing the delimitation to some representative slogans for racketeer marketing. All political representation is a screen and therefore an obstacle to a fusion of forces. Since representation can occur on the individual as well as the group level, recourse to the former level would be, for us, a repetition of the past.

### **Camatte, 1972**

»Both of us scoff at being popular. Among other things our disgust at any personality cult is evidence of this. I have never permitted anyone to make publicity out of the numerous testimonials of admiration with which they've overwhelmed me in various countries... When Engels and I first joined the secret society of communists, we did it on the condition *sine qua non* that they repeal all statutes that would be favorable to a cult of authority.»

Marx to Blos - 10.11.1877, *MEW* 34, p. 308.

»It is possible to avoid the dirt in bourgeois intercourse or in its trade? Dirt is its natural element.... The honest infamy or the infamous honesty of the solvent morality appear to me not a bit superior to the unrespectable infamy which neither the first Christian communities nor the Jacobin club, nor our own deceased League could free themselves of entirely. In bourgeois intercourse, however, you get used to the fact that you lose your sense of respectable infamy or of infamous respectability.»

Marx to Freiligrath - 29.02.1860, *MEW* 30, p. 492.



The establishment of capital within material existence and therefore within the social community is accompanied by the disappearance of the traditional personal capitalist, the relative, and sometimes absolute, diminution of the proletariat, and the growth of new middle classes. Each human community, no matter how small, is conditioned by the mode of existence of the material community. The present mode of existence derives from the fact that capital is able to valorize itself, therefore exist and develop, only if a particle of it, at the same time that it becomes autonomous, confronts the social ensemble and places itself in relation to the total socialized equivalent, capital. It needs this confrontation (competition, rivalry); it exists only by differentiation. From this point, a social fabric forms based on the competition of rival »organizations» (rackets).

»It reproduces a new financial aristocracy, a new variety of parasites in the shape of promoters, speculators and simply nominal directors; a whole system of swindling and cheating by means of corporation promotion, stock issuance, and stock speculation. It is private production without the control of private property.»

*Capital* (International Publishers), Vol. III, p. 438].

»Expropriation extends here from the direct producers to the smaller and the medium-sized capitalists themselves. It is the point of departure for the capitalist mode of production; its accomplishment is the goal of this production. In the last instance it aims at the expropriation of the means of production from all individuals. With the development of social production, the means of production ceases to be means of private production and products of private production, and can thereafter be only means of production in the hands of associated producers, i.e. the latter's social property, much as they are their social products. However, this expropriation appears within the capitalist system in a contradictory form, as appropriation of social property by a few; credit lends the latter more and more the aspect of pure adventurers».

Ibid., pp. 439-440.

As home of the production process (the creation of value), the business enterprise restrains the movement of capital, fixes it at a particular location. It therefore must overcome this stabilization, lose this fixed character. So the propertyless enterprise arises, which still allows for a mystified yield form of surplus value. Here the constant capital is equal to zero, so only a small advance of capital is necessary to get the »business» rolling. Finally, there are even fictitious enterprises, thanks to which the most unchecked speculation develops.

»Today, capital constantly appears in the form of an »organization.» Behind this word-synonymous, in the glorious days of labor conflicts, with brotherhood in an open struggle, but now merely a hypocritical fiction about *common interest* among businessmen, administrators, technicians, unskilled workers, robots and watchdogs-behind the inexpressive and anti-mnemonic trademarks of the companies, behind the terms »elements of production» and »stimulation of national revenue, »capital still fulfills its old repulsive function; a function far more unworthy than that of the entrepreneur who personally contributed his intelligence, courage and true pioneering spirit at the dawn of bourgeois society.

The *organization* is not only the modern depersonalized capitalist, but also the capitalist without capital because it doesn't need any...

The business organization has its own plan. It doesn't establish a reliable business firm with assets but a »corporate front» with a fictitious capital.<sup>[1]</sup> If anything is paid in advance, it is merely to gain the sympathy of the government agencies which examine bids, proposals, and contracts.



This reveals the falseness of the stupid doctrine that the state or party bureaucracy constitutes a new ruling class which screws proletarians and capitalists alike, a ridiculous hypothesis, easily rejected from a Marxist viewpoint. Today the »specialist» is a beast of prey, the bureaucrat a miserable bootlicker.

The organization differs from the worker commune (a libertarian illusion which cannot be found within any defined boundaries) in that, in each form, rather than equality of performance in a common work, there is a hierarchy of functions and benefits. It can't be otherwise when the firm has autonomy in the market and must present a profitable balance sheet.

Recent reports from Russia concerning the regional decentralization and enlarged independence of particular concerns show that the trend is towards an explosive extension of the *contract system*, by which the state hires itself out to organizations in all sectors of the economy, organizations which are actual business gangs, with a changing and elusive personnel composition. This is similar to the various greedy forms which characterize the modern construction industry in all contemporary capitalist systems.»

A. Bordiga, »The Economic and Social Structure in Russia Today» in *il programma comunista*, no. 7, 1957. Edition de L'oubli 1975, pp. 230-31.

Not only does the state hire itself out to gangs, but it becomes a gang (racket) itself. Nevertheless, it still plays the role of mediator.

»Absolute monarchy (which itself is already a product of the growing bourgeois wealth and develops to a point where it becomes incompatible with the old feudal relations) necessitates in a determinate way a general power that affirms itself through egalitarian forms. The absolute monarchy must be able to exercise this power on all points of the periphery; it needs this power as the material lever of the general equivalent; of the wealth that becomes increasingly effective and powerful in its forms and increasingly independent from all special, local, natural, individual relations.»

K. Marx, *Grundrisse der Kritik der politischen Ökonomie* (Europäische Verlaganstalt, Frankfurt) p. 873.

The state appeared in its pure form, with the power of the general equivalent, at the time of the growth of the law of value in the period of simple commodity production. In the phase of formal domination of capital, when capital had not yet dominated the law of value, the state was a mediator between capital and [...] both remained of prior modes of production and the proletariat itself. The credit system was still undeveloped and had not yet given rise, on a large scale, to fictitious capital. Capital still needed a rigid gold standard. With the passage to real domination, capital created its own general equivalent, which couldn't be as rigid as it had been in the period of simple circulation. The state itself had to lose its rigidity and become a gang mediating between different gangs and between the total capital and particular capitals.

We can see the same sort of transformation in the political sphere. The central committee of a party or the center of any sort of regroupment plays the same role as the state. Democratic centralism only managed to mimic the parliamentary form characteristic of formal domination. And organic centralism, affirmed merely in a negative fashion, as refusal of democracy and its form (subjugation of the minority to the majority, votes, congresses, etc.) actually just gets trapped again in the more modern forms. This results in the mystique of organization (as with fascism). This was how the PCI (International Communist Party) evolved into a gang.

The proletariat having been destroyed, this tendency of capital encounters no real opposition in society and so can produce itself all the more efficiently. The proletariat's real essence has been denied and it exists only as an object of capital. Similarly, the theory of the proletariat, Marxism, has been destroyed, Kautsky

first revising it and then Bernstein liquidating it. This occurred in a definitive manner, for no assault of the proletariat has succeeded since then in reestablishing Marxism. This is only another way of saying that capital has succeeded in establishing its real domination. To accomplish this, capital had to absorb the movement that negates it, the proletariat, and establish a unity in which the proletariat is merely an object of capital. This unity can be destroyed only by a crisis, such as those described by Marx. It follows that all forms of working-class political organization have disappeared. In their place, gangs confront one another in an obscene competition, veritable rackets rivaling each other in what they peddle but identical in their essence.

The existence of the gangs derives therefore from the tendency of capital to absorb its contradictions, from its movement of negation and from its reproduction in a fictitious form. Capital denies, or tends to deny, the basic principles on which it erects itself; but, in reality, it revives them under a fictitious form. The gang is a clear expression of this duality:

the boss who commands = caricature of the traditional individual (and his clique)

the collective form = caricature of community based on common interests

The movement of negation is thus reabsorbed in the gang, which is the realization of appearance. The gang also fulfills another requirement of capital: it replaces all natural or human presuppositions with presuppositions determined by capital.

In its external relations, the political gang tends to mask the existence of the clique, since it must seduce in order to recruit. It adorns itself in a veil of modesty so as to increase its power. When the gang appeals to external elements through journals, reviews, and leaflets, it thinks that it has to speak on the level of the mass in order to be understood. It talks about the immediate because it wants to mediate. Considering everyone outside the gang an imbecile, it feels obliged to publish banalities and bullshit so as to successfully seduce them. In the end, it seduces itself by its own bullshit and it is thereby absorbed by the surrounding milieu. However, another gang will take its place, and its first theoretical wailings will consist of attributing every misdeed and mistake to those who have preceded it, looking in this way for a new language so as to begin again the grand practice of seduction; in order to seduce, it has to appear to be different from the others.

Once within the gang (or any type of business) the individual is tied to it by all the psychological dependencies of capitalist society. If he shows any capacities they are exploited immediately without the individual having had a chance to master the »theory» that he has accepted. In exchange, he is given a position in the ruling clique, he is made a petty leader. If he fails to show capacities, an exchange takes place all the same; between his admission to the gang and his duty to diffuse its position. Even in those groups that want to escape the social givens, the gang mechanism nevertheless tends to prevail because of the different degrees of theoretical development among the members who make up the grouping. The inability to confront theoretical questions independently leads the individual to take refuge behind the authority of another member, who becomes, objectively, a leader, or behind the group entity, which becomes a gang. In his relations with people outside the group the individual uses his membership to exclude others and to differentiate himself from them, if only – in the final analysis – so as to guard himself against recognition of his own theoretical weaknesses. To belong in order to exclude, that is the internal dynamic of the gang; which is founded on an opposition, admitted or not, between the exterior and the interior of the group. Even an informal group deteriorates into a political racket, the classic case of theory becoming ideology.

The desire to belong to a gang comes from the wish to be identified with a group that embodies a certain degree of prestige, theoretical prestige for intellectuals and organizational prestige for so-called practical men. Commercial logic also enters into »theoretical» formation. With a growing mass of ideological commodity-capital to realize, it becomes necessary to create a deep motivation so people will buy commodities. For this the best motivation is: learn more, read more, in order to be above, in order to be

different from the mass. Prestige and exclusion are the signs of competition in all its forms; and so also among these gangs, which must vaunt their originality, their prestige, in order to attract notice. This is why the cult of the organization and the glorification of the peculiarities of the gang develop. From that point on, it's no longer a question of defending a »theory,» but of preserving an organizational tradition (cf. the PCI and its idolatry of the Italian left).<sup>[3]</sup>

Theory is also often acquired for use in political maneuvering, for example, for supporting one's attempt to gain a leadership position or for justifying the removal of a current leader.

The interior-exterior opposition and the gang structure develop the spirit of competition to the maximum. Given the differences of theoretical knowledge among the members, the acquisition of theory becomes, in effect, an element of political natural selection, a euphemism for division of labor. While one is, on the one hand, theorizing about existing society, on the other, within the group, under the pretext of negating it, an unbridled emulation is introduced that ends up in a hierarchization even more extreme than in society-at-large; especially as the interior-exterior opposition is reproduced internally in the division between the center of the gang and the mass of militants.

The political gang attains its perfection in those groups that claim to want to supersede existing social forms (forms such as the cult of the individual, of the leader, and of democracy). In practice, anonymity – understood simply as anti-individualism – means unbridled exploitation of the gang members to the profit of the direction clique, which gains prestige from everything the gang produces. And organic centralism becomes the practice of hypocrisy, since the double-dealing that one finds in those groups that lay claim to democratic centralism occurs anyway, in spite of the denial that it's going on.

What maintains an apparent unity in the bosom of the gang is the threat of exclusion. Those who do not respect the norms are rejected with calumny; and even if they quit, the effect is the same. This threat also serves as psychological blackmail for those who remain. This same process appears in different ways in different types of gangs.

In the business gang, modern form of the enterprise, the individual is kicked out and finds himself in the streets.

In the youth gang, the individual is beaten up or killed. Here, where we find revolt in its raw form, delinquency; the lone individual is weak, lacks protection, and so is forced to join a gang.

In the political gang, the individual is rejected with calumny, which is nothing but the sublimation of assassination. The calumny justifies his exclusion, or is used to force him to leave »of his own free will.»

In reality, of course, the different methods cross from one type of gang to another. There are murders linked to business deals just as there are settlements of account that result in murder.

Thus, capitalism is the triumph of the organization, and the form the organization takes is the gang. This is the triumph of fascism. In the United States the racket is found at all levels of society. It's the same in USSR. The theory of hierarchical bureaucratic capitalism, in the formal sense, is an absurdity, since the gang is an informal organism.

An alternative at the theoretical level is the exaltation of discipline, the demand for the purity of the militant (cf. the group »Rivoluzione comunista,» which broke with the PCI in 1964 on the question of the creation of a true elite of militants who would do nothing but bring back to life the positions of »ultrabolshevism» that Lukacs saw as the alternative to the opportunist mass party, which the German Communist Party had become in the space of two years (cf. »Towards a Methodology of the Problem of Organization» in *History and Class Consciousness*). This is like saying that on the level of sexual life the alternative to the decay of values is asceticism. Besides, in abstracting itself from reality, this view creates a gulf between theory and practice.

All this expresses the growing separation of the individual from the human community, poverty in Marx's sense. The formation of the gang is the constitution of an illusory community. In the case of the youth gang, it is the result of fixation on the elementary instinct of revolt in its immediate form. The political gang, on the contrary, wants to hold up its illusory community as a model for the whole society. This is utopian behavior without any real base. The utopians hoped that through emulation all humanity would eventually be included in the communities they created but these communities were all absorbed by capital. So this line from the inaugural address of the First International is more valid than ever: »The emancipation of the workers must be the task of the workers themselves.»

At the present time the proletariat either prefigures communist society and realizes communist theory or it remains part of existing society. The May movement was the beginning of this prefiguration. It follows from what has been said that the proletariat can in no way recognize itself in any organization since it already suffers them in other forms. The May movement clearly demonstrates this.

With the proletariat broken, its immediate form of existence is the process of capital itself. The workers' parties in Marx's time were produced by the immediate movement of the proletariat of that period. Their fate was to play the bourgeois parliamentary game. Today, now that the apparent community-in-the-sky of politic constituted by parliaments and their parties has been effaced by capital's development, the »organizations» that claim to be proletarian are simply gangs or cliques which, through the mediation of the state, play the same role as all the other groups that are directly in the service of capital. This is the groupuscule phase. In Marx's time the supersession of the sects was to be found in the unity of the workers' movement. Today, the parties, these groupuscules, manifest not merely a lack of unity but the absence of class struggle. They argue over the remains of the proletariat. They theorize about the proletariat in the immediate reality and oppose themselves to its movement. In this sense they realize the stabilization requirements of capital. The proletariat, therefore, instead of having to supersede them, needs to destroy them.

The critique of capital ought to be, therefore, a critique of the racket in all its forms, of capital as social organism; capital becomes the real life of the individual and his mode of being with others (cf. on this subject: Marcuse, *One Dimensional Man* and Galbraith, *The New Industrial State*). The theory which criticizes the racket cannot reproduce it. The consequence of this is refusal of all group life; it's either this or the illusion of community. On this subject, we can take up again Engels's critique given at the congress of Sonvillers. What he said at the time about the International applies today to a group. It can be summed up as follows: In Marx's time the proletariat couldn't go as far as negating itself-in the sense that during the course of the revolution it had to set itself up as the dominant class: 1848, 1871, 1917. There was a definitive separation between the formal party and the historic party. Today the party can only be the historic party. Any formal movement is the reproduction of this society, and the proletariat is essentially *outside of it*. A group can in no way pretend to realize community without taking the place of the proletariat, which alone can do it. Such an attempt introduces a distortion that engenders theoretical ambiguity and practical hypocrisy. It is not enough to develop the critique of capital, nor even to affirm that there are no organizational links; it's necessary to avoid reproducing the gang structure, since it is the spontaneous product of the society. This ought to be the basis of the critique of the Italian left and of our mode of existence since the break with the PCI.

The revolutionary must not identify himself with a group but recognize himself in a theory that does not depend on a group or on a review, because it is the expression of an existing class struggle. This is actually the correct sense in which anonymity is posed rather than as the negation of the individual (which capitalist society itself brings about). Accord, therefore, is around a work that is in process and needs to be developed. This is why theoretical knowledge and the desire for theoretical development are absolutely necessary if the professor-student relation - another form of the mind-matter, leader-mass contradiction - is not to be repeated and revive the practice of following. Moreover, the desire for theoretical development must realize itself in an autonomous and personal fashion and not by way of a group that sets itself up as a kind of diaphragm between the individual and the theory.

It is necessary to return to Marx's attitude toward all groups in order to understand why the break with the gang practice ought to be made:

- refuse to reconstitute a group, even an informal one (cf. The Marx-Engels correspondence, various works on the revolution of 1848, and pamphlets such as »The Great Men of Exile,» 1852).
- maintain a network of personal contacts with people having realized (or in the process of doing so) the highest degree of theoretical knowledge: antifollowerism, antipedagogy; the party in its historical sense is not a school.<sup>[4]</sup>

Marx's activity was always that of revealing the real movement that leads to communism and of defending the gains of the proletariat in its struggle against capital. Hence, Marx's position in 1871 in revealing the »impossible action» of the Paris Commune or declaring that the First International was not the child of either a theory or a sect. It is necessary to do the same now. Those who wish to enter in liaison with the work set forth in this review in order to develop it and ensure a more detailed, precise, and lucid exposition, ought to direct their relations along the lines indicated above in the discussion of Marx's work. Failing to do this, they will relapse into the gang practice.

It follows from this that it is also necessary to develop a critique of the Italian communist left's conception of »program.» That this notion of »communist program» has never been sufficiently clarified is demonstrated by the fact that, at a certain point, the Martov-Lenin debate resurfaced at the heart of the left. The polemic was already the result of the fact that Marx's conception of revolutionary theory had been destroyed, and it reflected a complete separation between the concepts of theory and practice. For the proletariat, in Marx's sense, the class struggle is simultaneously production and radicalization of consciousness. The critique of capital expresses a consciousness already produced by the class struggle and anticipates its future. For Marx and Engels, proletarian movement = theory = communism.

»Mr. Heinzen imagines communism to be a certain *doctrine* which springs from a definite theoretical principle as its *nucleus* and draws further consequences from it. Mr. Heinzen is very wrong. Communism is not a doctrine but a *movement* springing from facts rather than principles. Communists presuppose not such and such a philosophy but all past history and, above all, its actual and effective results in the civilized countries.... In so far as communism is a theory, it is the theoretical expression of the situation of the proletariat in its struggle and the theoretical summary of the conditions of the liberation of the proletariat».

F. Engels, »The communists and Karl Heinzen» Article 2, *MEW* 4, pp. 321-322.

Actually, the problem of consciousness coming from the outside did not exist for Marx. There wasn't any question of the development of militants, of activism or of academicism. Likewise, the problematic of the self-education of the masses, in the sense of the council communists (false disciples of R. Luxemburg and authentic disciples of pedagogic reformism) did not arise for Marx. R. Luxemburg's theory of the class movement, which from the start of the struggle finds within itself the conditions for its radicalization, is closest to Marx's position (cf. her position on the »creativity of the masses,» beyond its immediate existence).

This shows the necessity of superseding the bourgeois form of perceiving and conceiving social reality and taking up again, as Marx did, Hegel's demonstration of the mediate character of any form of immediacy. For it is characteristic of »scientific» thought to accept the immediate fact as the real object of knowledge without perceiving and conceiving the mediation that underlies it. It is on the basis of such gnoseology that in capitalist society social appearance becomes reality and vice-versa. The real being of the proletariat is hidden and the class is perceived in its apparent form of life. This is what gives to the problem of consciousness coming from the outside and the fact that when the proletariat manifests its true being (1905-1917), everyone is left stupefied, dumbfounded. The Italian communist left, in spite of its more acute capacities in the domain of the theory of the proletariat, did not in 1950 make a definitive break with its

past (1919-1926). Its critique of Trotskyism, of council communism, etc., did not achieve the integral restoration of Marx's notions of the party and of the proletariat. Because of this, its official position and its real essence oscillated between a conception of program as a »marxist school» and a Trotskyist-brand petty activism. This second aspect became dominant after 1960 due to the fact that a clique of gangsters totally foreign to the theory and to the proletariat took possession of the »school,» thanks above all to its continuing ambiguity on some problems of vital importance: the union question and the notion of »vanguard of proletariat,» which was actually rejected in acts and in official discussion but which persisted in the official canon of the party. It was then that the Martov-Lenin debate on the question of organization was resurrected, which demonstrated that this current was definitely dead, and led to its third-class funeral during May '68.

It should be noted that since we left the PCI we have tried to remove the ambiguity discussed by our doing our best to reveal the positive aspects of the left. This only resulted in our cultivating the left and becoming its most extreme expression (cf. the articles of *Invariance*). And this led us to fall back into a group practice. Although we considered our group »informal,» it carried with it the inevitable tendency of substituting itself for the proletariat. It is no longer a question of arguing about accommodation in the heart of the left but of recognizing that if there has been accommodation, it is because even from the start the theory wasn't integrally a theory of the proletariat. Thus it is no longer adequate to say that the creation of the party in 1943 was premature; it's necessary to say that it was an absurdity. Accordingly, it's necessary to break with our past and return to Marx's position.

This letter has been written not so much as a definitive and exhaustive treatment of the theme discussed; it is intended as a break with the »whole» group past. The signatures that follow are intended to emphasize this break and do not indicate that we have dropped our previous position on the subject of anonymity.

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*This world we must leave, and other essays*, [Autonomea](#), 1995

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1. »Fictitious» is from *finto* in the original Italian, which does not correspond to the term »fictitious» in *Capital* but is close to it (Translator's note).

2. unclear in original copy of translation.

3. Amadeo Bordiga and the theoreticians close to him were known as the Italian communist left. More precisely, »the Italian left» refers to the Italian left-communist tradition: the left opposition in the Italian Socialist Party (1910/12, 1921), the direction of the Communist Party of Italy (1921-24), the left opposition in the Communist Party of Italy (1924-26), the left-communist fraction in Belgium and France (*Bilan* and *Prometeo*: 1926-43), the reconstruction of Italian left communism (*Battaglia Comunista*, *Prometeo* 1944-52), and the International Communist Party (*il programma comunista*: 1952-70; Bordiga died in 1970). (Translator's note)

4. To talk of reassuming again an attitude adopted by Marx at a certain moment of his revolutionary activity resulted from a profound failure to understand that the phase of capital's formal domination has been completed. Marx had to take a position only valid for that period. Furthermore, his theoretical position on the subject of the party is not as rigid as the letter indicates here. What is even less acceptable in the above assertions is that they could lead to a new theory of consciousness coming from the outside by way of an elitist theory of the development of the revolutionary movement.

The refusal of all organization is not a simple anti organizational position. To leave it at that would be to again manifest a desire for originality, to try to set oneself up as different and thereby reach a position from which to attract people. From there the movement of racketization would begin all over again.

Our position on the dissolution of groups derives from the study of the becoming of the capitalist mode of production on one hand, and our characterization of the May movement on the other. We are deeply convinced that the revolutionary phenomenon is in motion and that, as always, consciousness follows action. This means that in the vast movement of rebellion against capital, revolutionaries are going to adopt a definite behavior – which will not be acquired all at once - compatible with the decisive and determinative struggle against *capital*.

We can preview the content of such an »organization.« It will combine the aspiration to human community and to individual affirmation, which is the distinguishing feature of the current revolution ary phase. It will aim toward the reconciliation of man with nature, the communist revolution being also a revolt of nature (i.e., against capital; moreover, it is only through a new relation with nature) that we will be able to survive, and avert the second of the two alternatives we face today: communism or the destruction of the human species.

In order to better understand this becoming organizational, so as to facilitate it without inhibiting whatever it may be, it is important to reject all old forms and to enter, without *a priori* principles, the vast movement of our liberation, which develops on a world scale. It is necessary to eliminate anything that could be an obstacle to the revolutionary movement. In given circumstances and in the course of specific actions, the revolutionary current will be structured and will structure itself not only passively, spontaneously, but by always directing the effort toward how to realize the true *Gemeinwesen* (human essence) and the social man, which implies the reconciliation of men with nature (Camatte, 1972).



### *A propos capital*

"The exact development of the concept of capital is necessary, since it is the fundamental concept of modern economics, just as capital itself, whose abstract counterpart (*Gegenbild*) is its concept, is the foundation of bourgeois society. The sharp formulation of the basic, presuppositions of the relation must bring out all the contradictions of bourgeois production, as well as the limit (*Grenze*) where it drives beyond, itself." (*Grundrisse* p.331)

The importance of the definition of capital and that of the mode of grasping its becoming are determinant for understanding communism, 'the mode of production that will follow the one where capital dominates, and to establish an activity negating the society of capital. It may seem that, in this respect, our work is engaged in a philosophical deformation having nothing in common with Marx's method of theoretical understanding. This travesty would be all the clearer as we use the *Grundrisse*, the "rough draft of *Capital*" which some consider does not provide Marx's finished thought, to back-up our argument. So let us quote this fundamental section from *Capital* Volume I where Marx defined capital according to its appearance inside the sphere of circulation,; Volume I being considered as the mature work *par excellence* by everyone. Let us also state that we have had to retranslate it in order to present Marx's thought, and not that of Marx as corrected by Roy.

"The independent forms, the money forms, which the value of commodities assumes in simple circulation, do nothing but mediate the exchange of commodities, and they vanish in the final result of the movement. On the other hand, in the circulation M - C - M both the commodity and money function only as different modes of existence of value itself, the money as its general mode of existence, the commodity as its particular or, so to speak, disguised mode. It is constantly changing from one form into the other, without becoming lost in this movement; it thus becomes transformed into an automatic subject. If we pin down the specific forms of appearance assumed in turn by self-valorizing value in the course of its life, we reach the following elucidation: capital is money, capital is commodity. In fact, however, here value becomes the subject of a process in which, while constantly assuming the forms in turn of money and commodity, it changes its own magnitude, and as surplus-value, unloads from itself as original value, valorizes itself. For the movement in the course of which it adds surplus-value is its own movement, its valorization, therefore its self-valorization. By the virtue of being value, it has acquired the occult ability to posit value. It brings forth living offspring, or at least lays golden eggs.

"As the dominant subject of such a process, in which it alternately assumes and loses the money form and the commodity form, but conserves and expands itself through all these changes, value requires above all an independent form by means of which its identity with itself may be asserted. Only in money does it possess this form. Money therefore constitutes the starting-point and the conclusion to every valorization process. It was £100 and now it is £110, etc. But the money itself is only one of the two forms of value. Unless it takes on the commodity form, it does not become capital. There is no antagonism here, as in the case of hoarding, between the money and the commodity. The capitalist knows that all commodities, however tattered they may look, or however badly they may smell, are in faith and in truth money, are by nature circumscribed Jews, and, what is more, a wonderful means of making still more money out of money.

"If the value of commodities in simple circulation maintains its use-value vis-à-vis at best the independent form of money, then here it takes its position suddenly as a selfmoving substance in process, for which commodity and money are simply forms. But there is more to come. Instead of simply representing the relations of commodities, it now enters into a private relationship with itself, as it were. It differentiates itself as original value from itself as surplus-value, just as God the father differentiates himself from himself as God the Son, although both are of the same age and form, in fact one single person; for only by the surplus-value of £10 does the £100 originally advanced become capital, and as soon as this has happened, as soon as the son has been created and, through the son, the father, their difference vanishes again; and both become one, £110.

"Value therefore now becomes value in process, and, as such, capital. It comes out of circulation, enters into it again, conserves and multiplies itself within circulation, emerges from it with an increased size, and starts the same cycle again and again. M - M' - money which begets money - such is the description of capital given by its first interpreters, the Mercantilists.

"Buying in order to sell, or, more accurately, buying in order to sell more dearly, M - C M' seems admittedly to be a form peculiar to one kind, of capital alone, merchants' capital. But industrial capital too is money that has been changed into commodities, and reconverted into more money by the sale of these commodities. Events which take place outside the sphere of circulation, in the interval between buying and selling, do not affect the form of this movement. Lastly, in the case of interest-bearing capital, the circulation M - C - M' presents itself in abridged form, in its final result and without any intermediate stage, in a concise style, so to speak, as M - M', i.e. money which is worth more money, value which is greater than itself.

"M - C - M' is in fact therefore the general formula for capital as it appears immediately in the sphere of circulation." (*Capital* I pp. 25.5-7)

The chain of the discourse and the concepts used clearly evoke Hegel. It was in *Capital* Volume I that Marx finally supersedes him. In other works, such as in the *Economic and Philosophic Manuscripts* and, in *The German Ideology*, there is a critique allowing one to situate all that is wrong in Hegel's work, but it did not really establish a theory other than a polemic with that work because it was unable to leave it out of consideration. Here Hegel is integrated. Marx shows that the movement of capital itself realizes Hegel's project,

"In my view, which can be justified only by the exposition of the system itself, everything turns on grasping and expressing the True, not only as *Substance*, but equally as *Subject*." (*Phenomenology of Spirit*, Oxford 1977 pp. 9-10)

Capital cannot be grasped only as substance, as value, as crystallized, accumulated labour time, but as subject. Herein lies the difference between value and capital. Money alone, especially in its-third definition, money as money, can compare itself with capital. But really it is not a dominant subject because it negates itself in circulation, or else it wishes to preserve its being, it must withdraw from it - hoarding.

The concept of value also presupposes the confluence of different contributions for its production: that of classical political economy (value = a quantum of social labour); of politics, since, as Marx showed in the first section of *Capital* Volume I, 'Commodities and Money', there could only be a movement of exchange between equivalents from the time when liberty and equality became popular prejudices, implying a considerable number of revolutionary struggles to arrive at this point; from classical German philosophy, which provided the conceptual development of what preceded (self-consciousness is the philosophical statement of equality and liberty). The concept of value sums up in itself the whole of human activity from the dissolution of the natural communist communities because it is the product of that activity<sup>[1]</sup>.

Hegel began his system there and autonomized human activity, which he conceived of as abstract labour. So doing, he described somehow the development of capital's form without its content.

Marx stated that capital originated as the result of the simple circulation of commodities: "This last product of commodity circulation is the first form of appearance of capital." (*Capital* I p.247), and he indicates the formula defining the appearance. One should note on this that Marx no longer used the expression general concept of capital as he did in the *Grundrisse* when he was researching the concept richest in determinations, the most apt to include all the manifestations of the capital being. The reason for this substitution was imposed by the very mode of appearance of capital in the two periods furthest apart in its becoming, its appearance and its complete flourishing, interest-bearing capital. It is a K (originally M) engendering a K + ΔK, Thus it is not the rejection of philosophical language that made him write formula

instead of concept, since he entitled *Capital* Volume I, Part Four, Chapter 12 'The Concept of Relative SurplusValue'.

Later Marx shows that capital assumed a body, incarnated itself (*einverleiben*) and really realizes what is contained in the general formula: becoming the dominant subject of the production process. It creates its production process due to large-scale industry, thus due to the incorporation of science in production. Hence one passes from the extortion of absolute surplus-value to the extortion of relative surplus-value. Capital no longer dominates formally, but really, inside the immediate process of production.

Also, this general formula contains the fact that capital must dominate circulation, if not, it would have the same fate as money, it would be negated in it. This is dealt with in *Capital* Volumes II & III, where Marx shows that capital becomes capital in process, unity of the immediate process of production and the circulation process. Henceforth its valorization process no longer simply opposes itself to the labour process, since the latter has become the production process of capital and production is simultaneously production and circulation, as the latter, as the real expression of capital, contains production within itself. Hence the life process of capital includes all social and economic phenomena: it has attained real domination over society which it founds, since society is the ensemble of production relations. It constitutes itself as material community, presupposing all human manifestations.

Finally, value become capital requires an autonomous form to represent itself. Here we find, the nodal point of the autonomization movement of the representationmediation. Marx shows in previous chapters that there could be no circulation of commodities without representation and mediation. Commodities had to be represented by prices so as to be exchanged: they are so firstly ideally, then materially. Price creates the possibility of exchange. Thanks to it, a given commodity indicates its presence to others as a quantum of value, and it is this quantum that is to be determinant for the acquisition of use-value which is its support. Representation thus permits a projection of the value being beyond the use-value of the commodity; the externalization of this quantum of value is what the price represents. However, the movement of the identification of commodities, thus as values, this mutual recognition as values, this reciprocal measure, is possible only with a mediating general equivalent element, a mirror of every value. The exchange movement becomes possible because ideally the commodity is money (price) and materially money is a commodity (gold, money etc.).

Capital is thus the supersession of value, thus of the commodity and of money, of the particular and of the universal it includes the representation-symbol of itself, and. becomes its own general equivalent<sup>[2]</sup>.

The representations could be equivalents during the period of simple commodity circulation. With the domination of capital, it is a representation which holds sway and which founds the others. The mode of grasping reality can no longer be democratic; it must be dictatorial. Besides, empiricism has been totally rejected following the fading of the content, the substrate. Now the autonomized form of capital is interposed between the knowing human subject and reality; this form has absorbed all representations and schemes of knowledge: science, art, ideology. Man is completely divested. The various representations can certainly oppose each other, as do particular capitals within the community of capital which tend. even to pose themselves as material communities, but they need a mediating representation ( a kind of general equivalent). It is that of the indefinite immeasurable movement of capital that poses what Hegel would call the bad infinity, this quantitative increase which it tries to extend to other planets by escaping the Earth (charlatan conquest of space - Bordiga).

By dominating the law of value, capital dominates men; more precisely, it pumps all the force and. materiality out of men to the extent that it incarnates and anthropomorphoses itself. Men are reduced to pure spirits who now receive their substance from capital, which, as the material community, has also become nature<sup>[3]</sup>.

This is paralleled by the separation of the form from the content of capital, the form as symbol-representation-mediation and. the content as value. But this content is devalorized with scientific

development leading to automation; directly, because it decreasingly contains living labour time, indirectly, because it undergoes moral wear.- Henceforth capital tends merely to be a form with an increasingly faded content. Interest bearing capital and credit are the bearers of this transformation. The determination of interest bearing capital is present since the general formula for capital.

The development of fictitious capital is accompanied by the triumph of speculation. In Hegel, the speculative moment is that when there is the reconstitution of what was dissociated, the moment when the concept itself creates the positive. It is the production of reality by the concept when there is no longer anything outside it as a presupposition, except the concept itself.

Men are capitalized and ripened by capital after the interiorization of the relation of constraint: work to earn money (earn a living), considering all activity with profit in view (*Erwerbstätigkeit*). Man is certainly dead. Human beings contemplate the figures of capital which pass before their eyes just as the men in Plato's cave contemplated shadows.

Capital resulting from the activity between men becomes a dominating power providing them with life; man is reified and simultaneously, fetishism, which was still feeble in the case of the commodity, attains its apogee with the achievement of mystification.

These few remarks are adequate to establish the validity of our mode of comprehending capital and our statement that it is all reified human activity, separated from men, autonomized and become a power oppressing them. Later on we shall develop all the consequences implied in this statement.

(INVARIANCE II/1, November 1971)

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1. Engels's formulation of socialism as the point of confluence of English political economy, French politics and German philosophy seems superficial to us as, on the one hand, it does not show the internal movement, and, on the other, insufficient: socialism appears there as a direct descendant and, not as a supersession implying a certain discontinuity.

2. This takes place during the transition from value to production price. See above pp.??

3. See above pp 4-158 and *Theses sur le capitalisme (Invariance Série I, no.6)*

## ***About the revolution***

from Invariance Series 2 No. 2 April 1972.

The various groups that have appeared since 1945 have all refused to accept the death of the old workers' movement. To do so would be to proclaim their own negation. This does not prevent them from evoking, interpreting and theorizing it under the title of the crisis of the workers' movement, usually seen as the crisis of revolutionary leadership. Only very rarely are the causes of death sought within the class itself, because one has especially to reject the statement that the proletariat is integrated and has abandoned its mission (as Trotsky already said in 1939 in *The USSR and the War*). Some people have interpreted this phenomenon by explaining that capitalism has changed in becoming state or bureaucratic capitalism, but the proletariat remains unchanged and retains the same mission -- hence the plagiarization of the *Communist Manifesto* by *Socialisme ou barbarie*. There is no question of protesting against the production of a manifesto nor even of having copied that of 1848, in the name of the sanctity of the classic texts, but to make clear the very limit to the proposition. One should note in this perspective the Situationist International, which appeared a few years later, operated in the same way. (By way of contrast, *Potere Operaio* and *Lotta Continua* proposed a neo-Leninism.)

There were people<sup>[1]</sup> who understood the significance of the defeat of the proletariat in 1945 and thus deduced the inanity of the mission of the proletariat and came to reject Marx's theory. They stated (and this was theorized 1000 different ways afterwards) that the proletariat was disappearing from the highly industrialized areas and it was marginal groups that would accomplish the old proletarian project, or even that it is the peasants in revolt in the zone not strangled by capital who would reactivate the revolutionary dynamic.

Bordiga too fully understood the defeat of the proletariat and the orgiastic development of capital after 1945. That is why he wrote "We have stated many times that the manifesto is an apologia for the bourgeoisie, and today, after the Second World War, and after the reabsorption of the Russian revolution, we add that one must write another." (*Il Marxismo dei cacagli*, 1952) The development of capital on a world scale would, he thought, augment the proletariat and the crisis resulting from the extraordinary boom would again push out the proletariat in the old metropolises, Germany in particular. This country was seen as the centre for the future revolution.

The various recessions, as well as the counter-blows of the anti-colonial revolutions in no way led to the restoration of revolutionary agitation in West Europe and the USA . The passivity of the proletariat even seemed to have become permanent at the start of the 60's. The theory and practice of such groups as the German SDS, similar groups in the USA, the Zengakuren in Japan, had the objective of reawakening the revolutionary power of the proletariat through exemplary acts. They (especially elements in the SDS) perceived the importance of the defeat and thought that the workers' movement had been thrown back 100 years. They had the intuition of a new beginning, a new epoch... This is why they vanished in the insurrectional phase which culminated in Paris and Mexico in 1968, otherwise they would have later to have diluted themselves. The dissolution of the SDS in 1970 was subject to criticism, but it was only the proof of the validity of the previous activity. They had to vanish with the emersion of the new revolutionary wave. Similarly with the maoist movement in France, which paradoxically, apart from a few small isolated groups, best expressed the spontaneous movement born of the May crisis. The catastrophic life of the maoist organizations is the best proof of what we are advancing. They stuck an ideology drawn from and trapped by the Chinese cultural revolution onto the revolutionary shocks of May and after. But each time the content showed itself to be more powerful than the container and exploded it. The desire to stick with the masses in revolt induced them progressively to change ground (to the extent that the struggles shifted from one social group to another) and to inflate themselves with various demands, which they had originally opposed or ignored - the struggle against the unions, seen as fundamental organizations to impose capitalism's yoke, for women's liberation, for the sexual revolution etc.. In other words, their political phraseology fell and peeled off when confronted with total needs; they had to recognize that the revolution is not simply a political question, but that it concerns a total change in the mode of producing and living, the seizure of power is only a moment of the revolution and reducing everything to this moment

leads purely and simply to failing to realize all the dimensions of the revolt of men, all the dimensions of the revolution.

After the shock of May, preceded by the vast movement which developed in two areas with different historical moments, China and the West, and which was followed by great struggles in Italy, the first wildcat strikes in Germany, the Kiruna strikes, the late 1970 riots in Poland, the great revolt in Ceylon in 1971, the proletariat is contained in its groups which are the debris of the old workers' movement (that group hundreds of thousands of workers, like the PCF, or some hundreds). They organize the past because this must be continued so as to inhibit any real movement of struggle, which does not prevent some of them, the PCF and PS in France, from changing their programme to match the revolutionary tide that they too feel rising.

When all these people acted to raise the proletariat from its lethargy, who demonstrated or struggled over these past years, were they merely the playthings of illusions, or have they put up a simple fight so that the revolution could better be buried later? Let us say that from now on they buried this past, that they have liquidated the illusions in a vanished world.

The proletariat suffered a grave defeat in 1945, but it could not be overcome by proposing an action compatible with the tasks of the proletariat in a given period, but which has no relation to the present situation. The defeat of 1945 signified the impossibility for the proletariat to substitute itself for and to replace capital in the slav area, and in other areas, which rose up after 1945, and to prevent capital from realizing its real domination on the social level, firstly and immediately in the West, then over the whole of the planet (to the extent that it even is the superior form which dominates the others). We have said that capital can only achieve that by realizing the domination of the immediate being of the proletariat - productive labour.

This implies a total break with everything that was the theory and practice of the workers' movement prior to 1945 and, given that from 1923 to 1945 there was merely the repetition of what happened between 1917 and 1923, we can modify our proposition by saying that we must break with the theory and practice of the workers' movement up to 1923.

This is not, however, to propose to build a new movement starting from the ruins of various elements of the old proletarian movement. It in no way means the writing of a new manifesto, a new programme etc., nor to return to Marx by copying his attitudes and considering them to be more revolutionary. The return to something is often the flight from something else, from contemporary reality. In fact, it consists in thinking of the lapsing of certain parts of Marx's work, lapsed because they are realized.

Marx's work basically outlines three great periods of humanity with the implicit discontinuities between them : the passage from feudalism to the capitalist mode of production, the development of this mode of production and the becoming of communism. This work also concerns other moments in the history of the human species (pre-capitalist formations), but what Marx describes exhaustively is the period of the formal domination of capital. In the *Manifesto*, the *Civil War in France*, the four volumes of *Capital* and the *Critique of the Gotha Programme*, there is Marx's revolutionary reformism, which took account of the possibilities of the society of that time. This did not prevent him from describing fully realized communism (cf. the notes on J. Mill's book and certain passages from the *Grundrisse*) and showing the essential elements of the passage to the real domination of capital, the fundamental characteristics of this period; but he was unable to do a synthetic work on this (it is no coincidence that *Capital* was unfinished). With a better reason, he did not describe the revolutionary becoming of communism when the capitalist mode of production would have achieved its real domination (and this in detail, like with the passage on the basis of formal domination).

Many answer this by saying that it is untrue to state that Marx provided all necessary indications, because, in any case, even during real domination, there will be classes and therefore parties, that therefore the revolutionary class in particular will have to constitute itself in party etc.



We do not deny that there are invariants, but :

1) one has to establish the domain of invariance, meaning a spatio-temporal delimitation, thus the invariant-class does not occupy so large an area as the invariant population or production (invariants called *verständige Abstraktion* in his 1857 introduction).

2) the development, the becoming, takes place starting from the particular and not from the general; one must therefore study the new determinations.

At an even deeper level, we must, because of this well defined real domination, rethink Marx's theory in its essentials and rediscover certain fundamental points which have been omitted, obliterated or simply left out of account because they were not understood. This is no hermeneutics, but a constantly renewed effort to explain concretely and explicitly what we mean by communism as a theory for which the work of Marx remains the pertinent element.

This theory explains the constitution of humanity in communist communities whose ensemble formed primitive communism, their dissolution by exchange-value and its autonomization, which is possible only when the productive forces are developed to a certain level. This movement destroyed the communities and simultaneously engendered individuals and classes. Its triumph was not, however, a fatality, and it was checked many times and the old communities provisionally gained the upper hand. It triumphed in the West, however, with the ancient mode of production, but was reabsorbed by the feudal mode of production. Only on the margin of feudal society could exchange-value resume a vitality and give rise to the capitalist mode of production, which could only dominate the production process when men were separated from their means of production. This separation is what Marx called the first concept of capital. Capital thus realized what money could not, the constitution of itself in a material community by taking all men's materiality, the anthropomorphosis of capital, while men are reified and capitalized. This is completed with the formation of fictitious capital resulting in the fictitious community where man is totally blocked by the mechanism of capital, a tangible-intangible being. Man is completely emptied, his creativity is pumped-out and sucked-up, and he is even rejected by the old process of production. He tends to become marginal, the pollution of capital. Capital is autonomized and surpasses its limits (a kind of surfusion of capital), but it cannot do this without men, the necessary pollution. They are the limit to capital. Constantly increasing oppression, which is direct or indirect after the destruction of nature, will lead the proletarians of the universal class to revolt against capital. For that they can no longer draw their strength from the past or from human bases that would have been conserved in that society, because everything has been destroyed. They really have to create the movement of their liberation, they cannot borrow from old schemas, the party can only be the party-*Gemeinwesen*, and it will not be able to function when it appears by appealing to the principle of centralization, or the opposite, federalism. It is highly probable that the rising of the universal class will directly create organisms which will be compatible with the communist possibility in this society, i.e. will form communities acting with a totally different practice to that of society. One cannot foresee the details of this phenomenon, but we can already perceive it as the only possibility of the struggle against the community of capital (tendency to unify various separated activities, formation of another unity of industry and agriculture, other man-woman relations) and besides, the very moment of the revolutionary explosion will determine the production of a more or less elaborated form.

The movement of exchange-value had yet further difficulties in triumphing in areas outside the West. Marx did not think that the capitalist mode of production had to develop in Russia. He thought that, on the contrary, the *obshchina*, with its particularities, could be the support for the graft of communism after the victorious revolution in the West. In any case, he did not think that the capitalist mode of production could easily triumph in the slav area, so great was the *obshchina's* vitality he said. Stolypin's reforms and the development of the capitalist mode of production in industry caused Lenin and the bolsheviks to make an error. They underestimated the vitality and capacity of the *obshchina* to resist. The *obshchina* perhaps figured less in the statistics, but it still had not been eliminated as the behaviour of the population adapted to a certain milieu. That led to an erroneous attitude on the peasantry by wishing to force the development of the capitalist mode of production (cf. the question of the Ukrainian rising and Makhno, also the many sided polemic on the subject of the bolsheviks wishing to force historical development).



The Tsar's despotism was replaced then by capital's despotism, which could only be realized at the cost of a frightening repression of the workers and peasants. A constantly renewed repression as if the tendency to communism was irremovable.

The movement of exchange-value in Asia tended to autonomize itself several times. Classes and individuals tended to form, but, in the end, it was only through the external intervention of the capitalist countries that capital could develop. However, it only formally dominates the society and we are living through a particularly crucial period of its passage to real domination, thanks to the help of the world capitalist community represented by US capital. Asia can only find equilibrium if the old basic and central communities are replaced by communities of capital, given that now, due to the weakness of the world revolutionary movement, we have to exclude an immediate becoming of communism.

By definition, all human history is that of the loss of its community which was more or less strictly and more or less immersed in nature (hence nature idolatry), under the action of exchange-value; the struggle against it in the form of money (general equivalent, universal money); then capital as an oppressive community poses as a necessity for man the destruction of it to found a real human *Gemeinwesen*; the human being as universal pole and the social man as individual pole, as well as their harmonious interpenetration.

Such is communism, theory of the proletariat in its classical sense, and in the sense of the universal class<sup>[2]</sup> which is already negation in the terms of class and its invariance.

We can always better situate what is lapsed in Marx's work from this point of view and simultaneously grasp all the elements which allow us to understand fundamentally the present real domination of capital, the overthrow of all the presuppositions and their replacement by those of capital, which in the achievement of its real domination engenders delinquency and madness.

Working for this synthesis is important, but it would only be a partial activity if one were not simultaneously to attempt to see how this synthesis is already underway in various manifestations of different elements, even if this is sometimes still in the groupist form.

May was the emergence of the revolution. Since then there has begun inside the universal class, still a class of capital = the assemblage of 'slaves' of capital, a struggle which will lead to a revolutionization of this class and its constitution as a party-community, the first moment of its negation. This contradictory movement is fundamentally a process of the elimination of the past; this class cannot represent itself without having eliminated the old determinations and representations. Evidently this will often happen in a comical manner, because the past is only rejected while it undergoes a parodic resurrection, of the German and Russian lefts, for example.

It was on immediate social distinctions, created by capital, which supported the consciousness of the American (Black Panthers, Yippies), German and French revolutionary movements in May 1968, relied. The opposition between the working class and the middle class, based on the distinction between productive and unproductive labour, production and circulation, production and consumption, was taken by Marx as the basis of his vision of the socialist revolution and the dictatorship of the proletariat. The perspective posed this as much for the development of capitalism as for the dictatorship of the proletariat : the generalization of the condition of the productive worker. This perspective is now realized and the revolutionary potential of 1848 is finally exhausted. Production for capital is now the fact of life for the whole population. But to each particular situation in the process of capital corresponds a 'class' vision which opposes blue and white collar, manual and intellectual, black and white workers; workers and petit-bourgeois; just as the gangs of capital oppose each other<sup>[3]</sup>.

The movement in France and Germany was considered as being specifically middle class, the mere detonator of a movement which could only be that of the working class itself, it was never seen as the movement of the universal class. It did not understand the identity of the situations of each within capital

and regarding it. However, the movement of 1968 was proof of the disappearance of the middle classes, as Marx saw them, and the beginning of the human struggle against capital.

The working class, category of capital, will increasingly abandon the old parties without constituting itself in new organizations, but by living its metamorphosis which will make it fit to join other components of the universal class.

Only those with nostalgia for the past can state that the May 1968 movement was a check, those who are incapable of thinking of a revolutionary process which will take several years to complete. Since May, there has been the movement of the production of revolutionaries. They began to understand the existing needs for the revolution, the representation of capital which parasitized the brains of everyone must be destroyed. That cannot be done by the Intervention of conscious groups imposing a new representation on our befuddled brains, nor is it to be realized by a single blow on D-day chosen by fate, but will break out after a long struggle which will invade every facet and all fields of life that are imposed upon us by capital. A real operative struggle will not be delayed by delusions of a marxist/psychoanalytical/structuralist delerium, nor the opposite, if the objective conditions are always ripe and the subjective ones not, if organization is necessary and what is its best structure and its most useful place. . . This delerium is the dream of capital; an eternally permanent revolution, because it is never developed, always held back by a mysterious 'string' : the lack of certain objective conditions, the non-statement of a certain theory.

One awaits the revolution in vain, for it is already underway. It is unnoticed by those who await it, expecting a particular sign, a 'crisis' releasing the vast insurrectional movement which would produce another essential sign, the formation of the party etc... Actually the disequilibrium began before May 1968 and May was its externalization, so on all levels of the total life process of capital, there are also the 'misfirings' which have not yet been transformed into crises in the old sense, but which allow the proletarians to destroy their domestication. The increasing loss of our real submission to capital will allow us to confront the true question of the revolution, not that of changing life, because all life has been enslaved, domesticated, misled by the existence of classes for millenia, but the creation of human life.

(April 1972)

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1. E.g. Prudhommeaux. Cf. *Invariance* Série II, no. 1 pp. 33-4.

2. The universal class can be organized by capital -- that is its own way of negating classes, but it can, from the moment that it is ionized, migrate to the communist pole of society.

3. The leaders of the PCF are the keenest to maintain the classical proletariat in its ghetto in society. They consider it to be their private property, thus they relentlessly defend its "characteristics" and "virtues". They have reduced it to a racket they guard jealously. One needs only to see how they bark when other rackets try to encroach on their territory.