

1. Production, Consumption, Distribution, Exchange (Circulation)

(1) PRODUCTION

Independent Individuals. Eighteenth-century Ideas

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

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

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

Steuart² avoided this simple-mindedness because as an aristocrat, and in antithesis to the eighteenth century, he had in some respects a more historical footing.

The more deeply we go back into history, the more does the individual, and hence also the producing individual, appear as dependent, as belonging to a greater whole: in a still quite natural way in the family and in the family expanded into the clan [*Stamm*]; then later in the various forms of communal society arising out of the antitheses and fusions of the clans. Only in the eighteenth century, in 'civil society', do the various forms of social connectedness confront the individual as a mere means towards his private purposes, as external necessity. But the epoch which produces this standpoint, that of the isolated individual, is also precisely that of the hitherto most developed social (from this standpoint, general) relations. The human being is in the most literal sense a ζῷον πολιτικόν,³ not merely a gregarious animal, but an animal which can individuate itself only in the midst of society. Production by an isolated individual outside society – a rare exception which may well occur when a civilized person in whom the social forces are already dynamically present is cast by accident into the wilderness – is as much of an absurdity as is the development of language without individuals living *together* and talking to each other. There is no point in dwelling on this any longer. The point could go entirely unmentioned if this twaddle, which had sense and reason for the eighteenth-century characters, had not been earnestly pulled back into the centre of the most modern economics by Bastiat,⁴ Carey,⁵ Proudhon etc. Of course it is a convenience for Proudhon et al. to be able to give a historico-philosophic account of the

2. Sir James Steuart (1712–80), 'the rational exponent of the Monetary and Mercantile System' (Marx), an adherent of the Stuart cause who went into exile in 1745 and pursued economic studies on the Continent. Author of *An Inquiry into the Principles of Political Economy*, London, 1767 (2 vols), Dublin, 1770 (3 vols – the edition used by Marx).

3. A political animal.

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

5. Henry Charles Carey (1793–1879), American economist, opponent of Ricardian pessimism ('Carey, who does not understand Ricardo' – Marx), believed in state intervention to establish harmony between the interests of labour and of capital, and in the tendency of real wages to rise.

source of an economic relation, of whose historic origins he is ignorant, by inventing the myth that Adam or Prometheus stumbled on the idea ready-made, and then it was adopted, etc. Nothing is more dry and boring than the fantasies of a *locus communis*.⁶

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

Whenever we speak of production, then, what is meant is always production at a definite stage of social development – production by social individuals. It might seem, therefore, that in order to talk about production at all we must either pursue the process of historic development through its different phases, or declare beforehand that we are dealing with a specific historic epoch such as e.g. modern bourgeois production, which is indeed our particular theme. However, all epochs of production have certain common traits, common characteristics. *Production in general* is an abstraction, but a rational abstraction in so far as it really brings out and fixes the common element and thus saves us repetition. Still, this *general* category, this common element sifted out by comparison, is itself segmented many times over and splits into different determinations. Some determinations belong to all epochs, others only to a few. [Some] determinations will be shared by the most modern epoch and the most ancient. No production will be thinkable without them; however, even though the most developed languages have laws and characteristics in common with the least developed, nevertheless, just those things which determine their development, i.e. the elements which are not general and common, must be separated out from the determinations valid for production as such, so that in their unity – which arises already from the identity of the subject, humanity, and of the object, nature – their essential difference is not forgotten. The whole profundity of those modern economists who demonstrate the eternity and harmoniousness of the existing social relations lies in this forgetting. For example. No production possible without an instrument of production, even if this instrument is only the hand. No production without stored-up, past labour, even if it is only the facility

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

gathered together and concentrated in the hand of the savage by repeated practice. Capital is, among other things, also an instrument of production, also objectified, past labour. Therefore capital is a general, eternal relation of nature; that is, if I leave out just the specific quality which alone makes 'instrument of production' and 'stored-up labour' into capital. The entire history of production relations thus appears to Carey, for example, as a malicious forgery perpetrated by governments.

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

It is the fashion to preface a work of economics with a general part – and precisely this part figures under the title 'production' (see for example J. St. Mill)⁷ – treating of the *general preconditions* of all production. This general part consists or is alleged to consist of (1) the conditions without which production is not possible. I.e. in fact, to indicate nothing more than the essential moments of all production. But, as we will see, this reduces itself in fact to a few very simple characteristics, which are hammered out into flat tautologies; (2) the conditions which promote production to a greater or lesser degree, such as e.g. Adam Smith's progressive and stagnant state of society. While this is of value in his work as an insight, to elevate it to scientific significance would require investigations into the periodization of *degrees of productivity* in the development of individual peoples – an investigation which lies outside the proper boundaries of the theme, but, in so far as it does belong there, must be brought in as part of the development of competition, accumulation etc. In the usual formulation, the

7. John Stuart Mill (1806–73), English political theorist and economist; radical in politics, confusedly and eclectically Ricardian in economics. His *Principles of Political Economy*, London, 1848, begin in Bk I, Ch. 1, with the analysis of production.

answer amounts to the general statement that an industrial people reaches the peak of its production at the moment when it arrives at its historical peak generally. In fact. The industrial peak of a people when its main concern is not yet gain, but rather to gain. Thus the Yankees over the English. Or, also, that e.g. certain races, locations, climates, natural conditions such as harbours, soil fertility etc. are more advantageous to production than others. This too amounts to the tautology that wealth is more easily created where its elements are subjectively and objectively present to a greater degree.

But none of all this is the economists' real concern in this general part. The aim is, rather, to present production – see e.g. Mill – as distinct from distribution etc., as encased in eternal natural laws independent of history, at which opportunity *bourgeois* relations are then quietly smuggled in as the inviolable natural laws on which society in the abstract is founded. This is the more or less conscious purpose of the whole proceeding. In distribution, by contrast, humanity has allegedly permitted itself to be considerably more arbitrary. Quite apart from this crude tearing-apart of production and distribution and of their real relationship, it must be apparent from the outset that, no matter how differently distribution may have been arranged in different stages of social development, it must be possible here also, just as with production, to single out common characteristics, and just as possible to con-found or to extinguish all historic differences under *general human laws*. For example, the slave, the serf and the wage labourer all receive a quantity of food which makes it possible for them to exist as slaves, as serfs, as wage labourers. The conqueror who lives from tribute, or the official who lives from taxes, or the landed proprietor and his rent, or the monk and his alms, or the Levite and his tithe, all receive a quota of social production, which is determined by other laws than that of the slave's, etc. The two main points which all economists cite under this rubric are: (1) property; (2) its protection by courts, police, etc. To this a very short answer may be given:

to 1. All production is appropriation of nature on the part of an individual within and through a specific form of society. In this sense it is a tautology to say that property (appropriation) is a precondition of production. But it is altogether ridiculous to leap from that to a specific form of property, e.g. private property. (Which further and equally presupposes an antithetical form,

non-property.) History rather shows common property (e.g. in India, among the Slavs, the early Celts, etc.) to be the more⁸ original form, a form which long continues to play a significant role in the shape of communal property. The question whether wealth develops better in this or another form of property is still quite beside the point here. But that there can be no production and hence no society where some form of property does not exist is a tautology. An appropriation which does not make something into property is a *contradictio in subjecto*.

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

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

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

(2) THE GENERAL RELATION OF PRODUCTION TO DISTRIBUTION, EXCHANGE, CONSUMPTION

Before going further in the analysis of production, it is necessary to focus on the various categories which the economists line up next to it.

The obvious, trite notion: in production the members of society appropriate (create, shape) the products of nature in accord with human needs; distribution determines the proportion in which the

8. MEW XIII omits 'more'.

individual shares in the product; exchange delivers the particular products into which the individual desires to convert the portion which distribution has assigned to him; and finally, in consumption, the products become objects of gratification, of individual appropriation. Production creates the objects which correspond to the given needs; distribution divides them up according to social laws; exchange further parcels out the already divided shares in accord with individual needs; and finally, in consumption, the product steps outside this social movement and becomes a direct object and servant of individual need, and satisfies it in being consumed. Thus production appears as the point of departure, consumption as the conclusion, distribution and exchange as the middle, which is however itself twofold, since distribution is determined by society and exchange by individuals. The person objectifies himself in production, the thing subjectifies itself in the person⁹; in distribution, society mediates between production and consumption in the form of general, dominant determinants; in exchange the two are mediated by the chance characteristics of the individual.

Distribution determines the relation in which products fall to individuals (the amount); exchange determines the production¹⁰ in which the individual demands the portion allotted to him by distribution.

Thus production, distribution, exchange and consumption form a regular syllogism; production is the generality, distribution and exchange the particularity, and consumption the singularity in which the whole is joined together. This is admittedly a coherence, but a shallow one. Production is determined by general natural laws, distribution by social accident, and the latter may therefore promote production to a greater or lesser extent; exchange stands between the two as formal social movement; and the concluding act, consumption, which is conceived not only as a terminal point but also as an end-in-itself, actually belongs outside economics except in so far as it reacts in turn upon the point of departure and initiates the whole process anew.

The opponents of the political economists – whether inside or outside its realm – who accuse them of barbarically tearing apart things which belong together, stand either on the same ground as they, or beneath them. Nothing is more common than the re-

9. MEW XIII substitutes 'in consumption'.

10. MEW XIII substitutes 'products'.

proach that the political economists view production too much as an end in itself, that distribution is just as important. This accusation is based precisely on the economic notion that the spheres of distribution and of production are independent, autonomous neighbours. Or that these moments were not grasped in their unity. As if this rupture had made its way not from reality into the textbooks, but rather from the textbooks into reality, and as if the task were the dialectic balancing of concepts, and not the grasping of real relations!

[Consumption and Production]

(a.) Production is also immediately consumption. Twofold consumption, subjective and objective: the individual not only develops his abilities in production, but also expends them, uses them up in the act of production, just as natural procreation is a consumption of life forces. Secondly: consumption of the means of production, which become worn out through use, and are partly (e.g. in combustion) dissolved into their elements again. Likewise, consumption of the raw material, which loses its natural form and composition by being used up. The act of production is therefore in all its moments also an act of consumption. But the economists admit this. Production as directly identical with consumption, and consumption as directly coincident with production, is termed by them *productive consumption*. This identity of production and consumption amounts to Spinoza's thesis: *determinatio est negatio*.¹¹

But this definition of productive consumption is advanced only for the purpose of separating consumption as identical with production from consumption proper, which is conceived rather as the destructive antithesis to production. Let us therefore examine consumption proper.

Consumption is also immediately production, just as in nature the consumption of the elements and chemical substances is the production of the plant. It is clear that in taking in food, for example, which is a form of consumption, the human being produces his own body. But this is also true of every kind of con-

11. 'Determination is negation', i.e., given the undifferentiated self-identity of the universal world substance, to attempt to introduce particular determinations is to negate this self-identity. (Spinoza, *Letters*, No. 50, to J. Jelles, 2 June 1674.)

sumption which in one way or another produces human beings in some particular aspect. Consumptive production. But, says economics, this production which is identical with consumption is secondary, it is derived from the destruction of the prior product. In the former, the producer objectified himself, in the latter, the object he created personifies itself. Hence this consumptive production – even though it is an immediate unity of production and consumption – is essentially different from production proper. The immediate unity in which production coincides with consumption and consumption with production leaves their immediate duality intact.

Production, then, is also immediately consumption, consumption is also immediately production. Each is immediately its opposite. But at the same time a mediating movement takes place between the two. Production mediates consumption; it creates the latter's material; without it, consumption would lack an object. But consumption also mediates production, in that it alone creates for the products the subject for whom they are products. The product only obtains its 'last finish'¹² in consumption. A railway on which no trains run, hence which is not used up, not consumed, is a railway only *δυνάμει*,¹³ and not in reality. Without production, no consumption; but also, without consumption, no production; since production would then be purposeless. Consumption produces production in a double way, (1) because a product becomes a real product only by being consumed. For example, a garment becomes a real garment only in the act of being worn; a house where no one lives is in fact not a real house; thus the product, unlike a mere natural object, proves itself to be, *becomes*, a product only through consumption. Only by decomposing the product does consumption give the product the finishing touch; for the product is production not as¹⁴ objectified activity, but rather only as object for the active subject; (2) because consumption creates the need for *new* production, that is it creates the ideal, internally impelling cause for production, which is its presupposition. Consumption creates the motive for production; it also creates the object which is active in production as its determinant aim. If it is clear that production

12. In English in the original.

13. 'Potentially'. Cf. Aristotle, *Metaphysics* Bk VIII, Ch. 6, 2.

14. The manuscript has: 'for the product is production not only as ...'. MEW XIII substitutes: 'for the product is a product not as ...'.

offers consumption its external object, it is therefore equally clear that consumption *ideally posits* the object of production as an internal image, as a need, as drive and as purpose. It creates the objects of production in a still subjective form. No production without a need. But consumption reproduces the need.

Production, for its part, correspondingly (1) furnishes the material and the object for consumption.¹⁵ Consumption without an object is not consumption; therefore, in this respect, production creates, produces consumption. (2) But the object is not the only thing which production creates for consumption. Production also gives consumption its specificity, its character, its finish. Just as consumption gave the product its finish as product, so does production give finish to consumption. *Firstly*, the object is not an object in general, but a specific object which must be consumed in a specific manner, to be mediated in its turn by production itself. Hunger is hunger, but the hunger gratified by cooked meat eaten with a knife and fork is a different hunger from that which bolts down raw meat with the aid of hand, nail and tooth. Production thus produces not only the object but also the manner of consumption, not only objectively but also subjectively. Production thus creates the consumer. (3) Production not only supplies a material for the need, but it also supplies a need for the material. As soon as consumption emerges from its initial state of natural crudity and immediacy – and, if it remained at that stage, this would be because production itself had been arrested there – it becomes itself mediated as a drive by the object. The need which consumption feels for the object is created by the perception of it. The object of art – like every other product – creates a public which is sensitive to art and enjoys beauty. Production thus not only creates an object for the subject, but also a subject for the object. Thus production produces consumption (1) by creating the material for it; (2) by determining the manner of consumption; and (3) by creating the products, initially posited by it as objects, in the form of a need felt by the consumer. It thus produces the object of consumption, the manner of consumption and the motive of consumption. Consumption likewise produces the producer's *inclination* by beckoning to him as an aim-determining need.

The identities between consumption and production thus appear threefold:

15. The manuscript has 'for production'.

(1) *Immediate identity*: 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.

(2) [In the sense] that one appears as a means for the other, is mediated by the other: this is expressed as their mutual dependence; a movement which relates them to one another, makes them appear indispensable to one another, but still leaves them external to each other. Production creates the material, as external object, for consumption; consumption creates the need, as internal object, as aim, for production. Without production no consumption; without consumption no production. [This identity] figures in economics in many different forms.

(3) Not only is production immediately consumption and consumption immediately production, not only is production a means for consumption and consumption the aim of production, i.e. each supplies the other with its object (production supplying the external object of consumption, consumption the conceived object of production); but also, each of them, apart from being immediately the other, and apart from mediating the other, in addition to this creates the other in completing itself, and creates *itself* as the other. Consumption accomplishes the act of production only in completing the product as product by dissolving it, by consuming its independently material form, by raising the inclination developed in the first act of production, through the need for repetition, to its finished form; it is thus not only the concluding act in which the product becomes product, but also that in which the producer becomes producer. On the other side, production produces consumption by creating the specific manner of consumption; and, further, by creating the stimulus of consumption, the ability to consume, as a need. This last identity, as determined under (3), [is] frequently cited in economics in the relation of demand and supply, of objects and needs, of socially created and natural needs.

Thereupon, nothing simpler for a Hegelian than to posit production and consumption as identical. And this has been done not only by socialist belletrists but by prosaic economists them-

selves, e.g. Say¹⁶; in the form that when one looks at an entire people, its production is its consumption. Or, indeed, at humanity in the abstract. Storch¹⁷ demonstrated Say's error, namely that e.g. a people does not consume its entire product, but also creates means of production, etc., fixed capital, etc. To regard society as one single subject is, in addition, to look at it wrongly; speculatively. With a single subject, production and consumption appear as moments of a single act. The important thing to emphasize here is only that, whether production and consumption are viewed as the activity of one or of many individuals, they appear in any case as moments of one process, in which production is the real point of departure and hence also the predominant moment. Consumption as urgency, as need, is itself an intrinsic moment of productive activity. But the latter is the point of departure for realization and hence also its predominant moment; it is the act through which the whole process again runs its course. The individual produces an object and, by consuming it, returns to himself, but returns as a productive and self-reproducing individual. Consumption thus appears as a moment of production.

In society, however, the producer's relation to the product, once the latter is finished, is an external one, and its return to the subject depends on his relations to other individuals. He does not come into possession of it directly. Nor is its immediate appropriation his purpose when he produces in society. *Distribution* steps between the producers and the products, hence between production and consumption, to determine in accordance with social laws what the producer's share will be in the world of products.

Now, does distribution stand at the side of and outside production as an autonomous sphere?

Distribution and production

(b₁) When one examines the usual works of economics, it is immediately striking that everything in them is posited doubly.

16. Jean-Baptiste Say (1767–1832), 'the inane Say', who 'superficially condensed political economy into a textbook' (Marx), a businessman who popularized and vulgarized the doctrines of Adam Smith in his *Traité d'économie politique*, Paris, 1803.

17. Heinrich Friedrich Storch (1766–1835), Professor of Political Economy in the Russian Academy of Sciences at St Petersburg. Say issued Storch's

For example, ground rent, wages, interest and profit figure under distribution, while land, labour and capital figure under production as agents of production. In the case of capital, now, it is evident from the outset that it is posited doubly, (1) as agent of production, (2) as source of income, as a determinant of specific forms of distribution. Interest and profit thus also figure as such in production, in so far as they are forms in which capital increases, grows, hence moments of its own production. Interest and profit as forms of distribution presuppose capital as agent of production. They are modes of distribution whose presupposition is capital as agent of production. They are, likewise, modes of reproduction of capital.

The category of wages, similarly, is the same as that which is examined under a different heading as wage labour: the characteristic which labour here possesses as an agent of production appears as a characteristic of distribution. If labour were not specified as wage labour, then the manner in which it shares in the products would not appear as wages; as, for example, under slavery. Finally, to take at once the most developed form of distribution, ground rent, by means of which landed property shares in the product, presupposes large-scale landed property (actually, large-scale agriculture) as agent of production, and not merely land as such, just as wages do not merely presuppose labour as such. The relations and modes of distribution thus appear merely as the obverse of the agents of production. An individual who participates in production in the form of wage labour shares in the products, in the results of production, in the form of wages. The structure [*Gliederung*] of distribution is completely determined by the structure of production. Distribution is itself a product of production, not only in its object, in that only the results of production can be distributed, but also in its form, in that the specific kind of participation in production determines the specific forms of distribution, i.e. the pattern of participation in distribution. It is altogether an illusion to posit land in production, ground rent in distribution, etc.

Thus, economists such as Ricardo, who are the most frequently accused of focusing on production alone, have defined distribution as the exclusive object of economics, because they instinc-

work *Cours d'économie politique* with critical notes in 1823; he attacked Say's interpretation of his views in *Considérations sur la nature du revenu national*, Paris, 1824, pp. 144–59.

tively conceived the forms of distribution as the most specific expression into which the agents of production of a given society are cast.

To the single individual, of course, distribution appears as a social law which determines his position within the system of production within which he produces, and which therefore precedes production. The individual comes into the world possessing neither capital nor land. Social distribution assigns him at birth to wage labour. But this situation of being assigned is itself a consequence of the existence of capital and landed property as independent agents of production.

As regards whole societies, distribution seems to precede production and to determine it in yet another respect, almost as if it were a pre-economic fact. A conquering people divides the land among the conquerors, thus imposes a certain distribution and form of property in land, and thus determines production. Or it enslaves the conquered and so makes slave labour the foundation of production. Or a people rises in revolution and smashes the great landed estates into small parcels, and hence, by this new distribution, gives production a new character. Or a system of laws assigns property in land to certain families in perpetuity, or distributes labour [as] a hereditary privilege and thus confines it within certain castes. In all these cases, and they are all historical, it seems that distribution is not structured and determined by production, but rather the opposite, production by distribution.

In the shallowest conception, distribution appears as the distribution of products, and hence as further removed from and quasi-independent of production. But before distribution can be the distribution of products, it is: (1) the distribution of the instruments of production, and (2), which is a further specification of the same relation, the distribution of the members of the society among the different kinds of production. (Subsumption of the individuals under specific relations of production.) The distribution of products is evidently only a result of this distribution, which is comprised within the process of production itself and determines the structure of production. To examine production while disregarding this internal distribution within it is obviously an empty abstraction; while conversely, the distribution of products follows by itself from this distribution which forms an original moment of production. Ricardo, whose concern was to grasp the specific social structure of modern production, and who

is the economist of production *par excellence*, declares for precisely that reason that *not* production but distribution is the proper study of modern economics.¹⁸ This again shows the ineptitude of those economists who portray production as an eternal truth while banishing history to the realm of distribution.

The question of the relation between this production-determining distribution, and production, belongs evidently within production itself. If it is said that, since production must begin with a certain distribution of the instruments of production, it follows that distribution at least in this sense precedes and forms the presupposition of production, then the reply must be that production does indeed have its determinants and preconditions, which form its moments. At the very beginning these may appear as spontaneous, natural. But by the process of production itself they are transformed from natural into historic determinants, and if they appear to one epoch as natural presuppositions of production, they were its historic product for another. Within production itself they are constantly being changed. The application of machinery, for example, changed the distribution of instruments of production as well as of products. Modern large-scale landed property is itself the product of modern commerce and of modern industry, as well as of the application of the latter to agriculture.

The questions raised above all reduce themselves in the last instance to the role played by general-historical relations in production, and their relation to the movement of history generally. The question evidently belongs within the treatment and investigation of production itself.

Still, in the trivial form in which they are raised above, they can be dealt with equally briefly. In all cases of conquest, three things are possible. The conquering people subjugates the conquered under its own mode of production (e.g. the English in Ireland in this century, and partly in India); or it leaves the old mode intact and contents itself with a tribute (e.g. Turks and Romans); or a reciprocal interaction takes place whereby something new, a synthesis, arises (the Germanic conquests, in part). In all cases, the mode of production, whether that of the conquering people, that of the conquered, or that emerging from the fusion of both, is decisive for the new distribution which arises.

18. David Ricardo, *On the Principles of Political Economy and Taxation*, 3rd edn, London, 1821, preface, p.v.

Although the latter appears as a presupposition of the new period of production, it is thus itself in turn a product of production, not only of historical production generally, but of the specific historic mode of production.

The Mongols, with their devastations in Russia, e.g., were acting in accordance with their production, cattle-raising, for which vast uninhabited spaces are a chief precondition. The Germanic barbarians, who lived in isolation on the land and for whom agriculture with bondsmen was the traditional production, could impose these conditions on the Roman provinces all the more easily as the concentration of landed property which had taken place there had already entirely overthrown the earlier agricultural relations.

It is a received opinion that in certain periods people lived from pillage alone. But, for pillage to be possible, there must be something to be pillaged, hence production. And the mode of pillage is itself in turn determined by the mode of production. A stock-jobbing nation, for example, cannot be pillaged in the same manner as a nation of cow-herds.

To steal a slave is to steal the instrument of production directly. But then the production of the country for which the slave is stolen must be structured to allow of slave labour, or (as in the southern part of America etc.) a mode of production corresponding to the slave must be created.

Laws may perpetuate an instrument of production, e.g. land, in certain families. These laws achieve economic significance only when large-scale landed property is in harmony with the society's production, as e.g. in England. In France, small-scale agriculture survived despite the great landed estates, hence the latter were smashed by the revolution. But can laws perpetuate the small-scale allotment? Despite these laws, ownership is again becoming concentrated. The influence of laws in stabilizing relations of distribution, and hence their effect on production, requires to be determined in each specific instance.

(c₁) Exchange, Finally, and Circulation

Exchange and production

Circulation itself [is] merely a specific moment of exchange, or [it is] also exchange regarded in its totality.

In so far as *exchange* is merely a moment mediating between production with its production-determined distribution on one side and consumption on the other, but in so far as the latter itself appears as a moment of production, to that extent is exchange obviously also included as a moment within the latter.

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

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

changes production, e.g. concentration of capital, different distribution of the population between town and country, etc. Finally, the needs of consumption determine production. Mutual interaction takes place between the different moments. This the case with every organic whole.

(3) THE METHOD OF POLITICAL ECONOMY

When we consider a given country politico-economically, we begin with its population, its distribution among classes, town, country, the coast, the different branches of production, export and import, annual production and consumption, commodity prices etc.

It seems to be correct to begin with the real and the concrete, with the real precondition, thus to begin, in economics, with e.g. the population, which is the foundation and the subject of the entire social act of production. However, on closer examination this proves false. The population is an abstraction if I leave out, for example, the classes of which it is composed. These classes in turn are an empty phrase if I am not familiar with the elements on which they rest. E.g. wage labour, capital, etc. These latter in turn presuppose exchange, division of labour, prices, etc. For example, capital is nothing without wage labour, without value, money, price etc. Thus, if I were to begin with the population, this would be a chaotic conception [*Vorstellung*] of the whole, and I would then, by means of further determination, move analytically towards ever more simple concepts [*Begriff*], from the imagined concrete towards ever thinner abstractions until I had arrived at the simplest determinations. From there the journey would have to be retraced until I had finally arrived at the population again, but this time not as the chaotic conception of a whole, but as a rich totality of many determinations and relations. The former is the path historically followed by economics at the time of its origins. The economists of the seventeenth century, e.g., always begin with the living whole, with population, nation, state, several states, etc.; but they always conclude by discovering through analysis a small number of determinant, abstract, general relations such as division of labour, money, value, etc. As soon as these individual moments had been more or less firmly established and abstracted, there began the economic systems, which ascended from the simple relations, such as labour, division of labour, need,

exchange value, to the level of the state, exchange between nations and the world market. The latter is obviously the scientifically correct method. The concrete is concrete because it is the concentration of many determinations, hence unity of the diverse. It appears in the process of thinking, therefore, as a process of concentration, as a result, not as a point of departure, even though it is the point of departure in reality and hence also the point of departure for observation [*Anschauung*] and conception. Along the first path the full conception was evaporated to yield an abstract determination; along the second, the abstract determinations lead towards a reproduction of the concrete by way of thought. In this way Hegel fell into the illusion of conceiving the real as the product of thought concentrating itself, probing its own depths, and unfolding itself out of itself, by itself, whereas the method of rising from the abstract to the concrete is only the way in which thought appropriates the concrete, reproduces it as the concrete in the mind. But this is by no means the process by which the concrete itself comes into being. For example, the simplest economic category, say e.g. exchange value, presupposes population, moreover a population producing in specific relations; as well as a certain kind of family, or commune, or state, etc. It can never exist other than as an abstract, one-sided relation within an already given, concrete, living whole. As a category, by contrast, exchange value leads an antediluvian existence. Therefore, to the kind of consciousness – and this is characteristic of the philosophical consciousness – for which conceptual thinking is the real human being, and for which the conceptual world as such is thus the only reality, the movement of the categories appears as the real act of production – which only, unfortunately, receives a jolt from the outside – whose product is the world; and – but this is again a tautology – this is correct in so far as the concrete totality is a totality of thoughts, concrete in thought, in fact a product of thinking and comprehending; but not in any way a product of the concept which thinks and generates itself outside or above observation and conception; a product, rather, of the working-up of observation and conception into concepts. The totality as it appears in the head, as a totality of thoughts, is a product of a thinking head, which appropriates the world in the only way it can, a way different from the artistic, religious, practical and mental appropriation of this world. The real subject retains its autonomous existence outside the head just as before; namely as long as

the head's conduct is merely speculative, merely theoretical. Hence, in the theoretical method, too, the subject, society, must always be kept in mind as the presupposition.

But do not these simpler categories also have an independent historical or natural existence predating the more concrete ones? That depends. Hegel, for example, correctly begins the Philosophy of Right with possession, this being the subject's simplest juridical relation. But there is no possession preceding the family or master-servant relations, which are far more concrete relations. However, it would be correct to say that there are families or clan groups which still merely *possess*, but have no *property*. The simple category therefore appears in relation to property as a relation of simple families or clan groups. In the higher society it appears as the simpler relation of a developed organization. But the concrete substratum of which possession is a relation is always presupposed. One can imagine an individual savage as possessing something. But in that case possession is not a juridical relation. It is incorrect that possession develops historically into the family. Possession, rather, always presupposes this 'more concrete juridical category'. There would still always remain this much, however, namely that the simple categories are the expressions of relations within which the less developed concrete may have already realized itself before having posited the more many-sided connection or relation which is mentally expressed in the more concrete category; while the more developed concrete preserves the same category as a subordinate relation. Money may exist, and did exist historically, before capital existed, before banks existed, before wage labour existed, etc. Thus in this respect it may be said that the simpler category can express the dominant relations of a less developed whole, or else those subordinate relations of a more developed whole which already had a historic existence before this whole developed in the direction expressed by a more concrete category. To that extent the path of abstract thought, rising from the simple to the combined, would correspond to the real historical process.

It may be said on the other hand that there are very developed but nevertheless historically less mature forms of society, in which the highest forms of economy, e.g. cooperation, a developed division of labour, etc., are found, even though there is no kind of money, e.g. Peru. Among the Slav communities also, money

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

Labour seems a quite simple category. The conception of labour in this general form – as labour as such – is also immeasurably old. Nevertheless, when it is economically conceived in this simplicity, 'labour' is as modern a category as are the relations which create this simple abstraction. The Monetary System,¹⁹ for example, still locates wealth altogether objectively, as an external thing, in money. Compared with this standpoint, the commercial, or manufacture, system took a great step forward by locating the

19. Marx considered that the Monetary System, as defined here, covered economists from the sixteenth century to the Physiocrats. However, within the Monetary System there arose what he calls here the 'commercial, or manufacture system' but elsewhere the Mercantile System (known to economics textbooks as Mercantilism). He distinguishes between the two systems on pp. 327–8, but his normal practice is to link them together, since 'the Mercantile System is merely a variant of the Monetary System' (*A Contribution to the Critique of Political Economy*, London, 1971, p. 158).

source of wealth not in the object but in a subjective activity – in commercial and manufacturing activity – even though it still always conceives this activity within narrow boundaries, as money-making. In contrast to this system, that of the Physiocrats posits a certain kind of labour – agriculture – as the creator of wealth, and the object itself no longer appears in a monetary disguise, but as the product in general, as the general result of labour. This product, as befits the narrowness of the activity, still always remains a naturally determined product – the product of agriculture, the product of the earth *par excellence*.

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

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

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

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

within it only in an entirely stunted form, or even travestied. For example, communal property. Although it is true, therefore, that the categories of bourgeois economics possess a truth for all other forms of society, this is to be taken only with a grain of salt. They can contain them in a developed, or stunted, or caricatured form etc., but always with an essential difference. The so-called historical presentation of development is founded, as a rule, on the fact that the latest form regards the previous ones as steps leading up to itself, and, since it is only rarely and only under quite specific conditions able to criticize itself – leaving aside, of course, the historical periods which appear to themselves as times of decadence – it always conceives them one-sidedly. The Christian religion was able to be of assistance in reaching an objective understanding of earlier mythologies only when its own self-criticism had been accomplished to a certain degree, so to speak, *δυνάμει*.²⁰ Likewise, bourgeois economics arrived at an understanding of feudal, ancient, oriental economics only after the self-criticism of bourgeois society had begun. In so far as the bourgeois economy did not mythologically identify itself altogether with the past, its critique of the previous economies, notably of feudalism, with which it was still engaged in direct struggle, resembled the critique which Christianity levelled against paganism, or also that of Protestantism against Catholicism.

In the succession of the economic categories, as in any other historical, social science, it must not be forgotten that their subject – here, modern bourgeois society – is always what is given, in the head as well as in reality, and that these categories therefore express the forms of being, the characteristics of existence, and often only individual sides of this specific society, this subject, and that therefore this society by no means begins only at the point where one can speak of it *as such*; this holds *for science as well*. This is to be kept in mind because it will shortly be decisive for the order and sequence of the categories. For example, nothing seems more natural than to begin with ground rent, with landed property, since this is bound up with the earth, the source of all production and of all being, and with the first form of production of all more or less settled societies – agriculture. But nothing would be more erroneous. In all forms of society there is one specific kind of production which predominates over the rest,

20. See p. 91, n.13.

whose relations thus assign rank and influence to the others. It is a general illumination which bathes all the other colours and modifies their particularity. It is a particular ether which determines the specific gravity of every being which has materialized within it. For example, with pastoral peoples (mere hunting and fishing peoples lie outside the point where real development begins). Certain forms of tillage occur among them, sporadic ones. Landed property is determined by this. It is held in common, and retains this form to a greater or lesser degree according to the greater or lesser degree of attachment displayed by these peoples to their tradition, e.g. the communal property of the Slavs. Among peoples with a settled agriculture – this settling already a great step – where this predominates, as in antiquity and in the feudal order, even industry, together with its organization and the forms of property corresponding to it, has a more or less landed-proprietary character; is either completely dependent on it, as among the earlier Romans, or, as in the Middle Ages, imitates, within the city and its relations, the organization of the land. In the Middle Ages, capital itself – apart from pure money-capital – in the form of the traditional artisans' tools etc., has this landed-proprietary character. In bourgeois society it is the opposite. Agriculture more and more becomes merely a branch of industry, and is entirely dominated by capital. Ground rent likewise. In all forms where landed property rules, the natural relation still predominant. In those where capital rules, the social, historically created element. Ground rent cannot be understood without capital. But capital can certainly be understood without ground rent. Capital is the all-dominating economic power of bourgeois society. It must form the starting-point as well as the finishing-point, and must be dealt with before landed property. After both have been examined in particular, their interrelation must be examined.

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

is it their sequence 'in the idea' (Proudhon)²¹ (a muddy notion of historic movement). Rather, their order within modern bourgeois society.

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

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

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

The order obviously has to be (1) the general, abstract determinants which obtain in more or less all forms of society, but in the above-explained sense. (2) The categories which make up the inner structure of bourgeois society and on which the fundamental classes rest. Capital, wage labour, landed property. Their interrelation. Town and country. The three great social classes. Exchange between them. Circulation. Credit system (private). (3) Concentration of bourgeois society in the form of the state. Viewed in relation to itself. The 'unproductive' classes. Taxes. State debt. Public credit. The population. The colonies. Emigration. (4) The international relation of production. International division of labour. International exchange. Export and import. Rate of exchange. (5) The world market and crises.²²

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

22. See p. 54, n.53.

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

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

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

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

(3) *Secondary and tertiary matters*; in general, *derivative, inherited*, not original relations of production. Influence here of international relations.

(4) *Accusations about the materialism of this conception. Relation to naturalistic materialism.*

(5) *Dialectic of the concepts productive force (means of production) and relation of production*, a dialectic whose boundaries are to be determined, and which does not suspend the real difference.

(6) *The uneven development of material production relative to e.g. artistic development*. In general, the concept of progress not to be conceived in the usual abstractness. Modern art etc. This disproportion not as important or so difficult to grasp as within practical-social relations themselves. E.g. the relation of education. Relation of the *United States* to Europe. But the really difficult point to discuss here is how relations of production develop unevenly as legal relations. Thus e.g. the relation of Roman private law (this less the case with criminal and public law) to modern production.

(7) *This conception appears as necessary development*. But legitimization of chance. How. (Of freedom also, among other things.) (Influence of means of communication. World history has not always existed; history as world history a result.)

(8) *The point of departure obviously from the natural characteristic; subjectively and objectively. Tribes, races etc.*

(1) In the case of the arts, it is well known that certain periods of their flowering are out of all proportion to the general development of society, hence also to the material foundation, the skeletal structure as it were, of its organization. For example, the Greeks compared to the moderns or also Shakespeare. It is even recognized that certain forms of art, e.g. the epic, can no longer be produced in their world epoch-making, classical stature as soon as the production of art, as such, begins; that is, that certain significant forms within the realm of the arts are possible only at an undeveloped stage of artistic development. If this is the case with the relation between different kinds of art within the realm of the arts, it is already less puzzling that it is the case in the relation of the entire realm to the general development of society. The difficulty consists only in the general formulation of these contradictions. As soon as they have been specified, they are already clarified.

Let us take e.g. the relation of Greek art and then of Shakespeare to the present time. It is well known that Greek mythology is not only the arsenal of Greek art but also its foundation. Is the view of nature and of social relations on which the Greek imagination and hence Greek [mythology] is based possible with self-acting mule spindles and railways and locomotives and electrical telegraphs? What chance has Vulcan against Roberts & Co., Jupiter against the lightning-rod and Hermes against the Crédit Mobilier? All mythology overcomes and dominates and shapes the forces of nature in the imagination and by the imagination; it therefore vanishes with the advent of real mastery over them. What becomes of Fama alongside Printing House Square? Greek art presupposes Greek mythology, i.e. nature and the social forms already reworked in an unconsciously artistic way by the popular imagination. This is its material. Not any mythology whatever, i.e. not an arbitrarily chosen unconsciously artistic reworking of nature (here meaning everything objective, hence including society). Egyptian mythology could never have been the foundation or the womb of Greek art. But, in any case, a *mythology*. Hence, in no way a social development which excludes all mythological, all mythologizing relations to nature; which therefore demands of the artist an imagination not dependent on mythology.

From another side: is Achilles possible with powder and lead? Or the *Iliad* with the printing press, not to mention the printing machine? Do not the song and the saga and the muse necessarily come to an end with the printer's bar, hence do not the necessary conditions of epic poetry vanish?

But the difficulty lies not in understanding that the Greek arts and epic are bound up with certain forms of social development. The difficulty is that they still afford us artistic pleasure and that in a certain respect they count as a norm and as an unattainable model.

A man cannot become a child again, or he becomes childish. But does he not find joy in the child's naïveté, and must he himself not strive to reproduce its truth at a higher stage? Does not the true character of each epoch come alive in the nature of its children? Why should not the historic childhood of humanity, its most beautiful unfolding, as a stage never to return, exercise an eternal charm? There are unruly children and precocious children. Many of the old peoples belong in this category. The Greeks were normal children. The charm of their art for us is not in contradiction to the undeveloped stage of society on which it grew. [It] is its result, rather, and is inextricably bound up, rather, with the fact that the unripe social conditions under which it arose, and could alone arise, can never return.