

# Introduction to Political Economy

*Luxemburg, Rosa*  
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This document has a complicated history. In Rosa Luxemburg Speaks, which collects sections 1.1, 1.5, and 1.6 as “What Is Economics?”, editor Mary-Alice Waters writes that Rosa Luxemburg began lecturing on economics at the SPD party school in 1907. At this point she started on a manuscript for a comprehensive introduction to economics, but broke off work in 1912 (to work on the book *The Accumulation of Capital*, according to Hudis). While imprisoned during World War I she returned to this manuscript, but was not able to finish it before she was murdered by counter-revolutionaries in 1919. Parts of the manuscript may have been lost when her apartment was ransacked by these counter-revolutionaries. Paul Levi then worked to edit what was left of the manuscript and published it in 1925. This version of *Introduction to Political Economy* comes from the *Complete Works of Rosa Luxemburg*, Volume 1, edited by Peter Hudis, but omits the copious detailed notes and numbers chapters strictly sequentially (rather than using Luxemburg’s original numbering, which, owing to the text’s unfinished state, numbered the chapters 1, 3, 4, 3, 4, 7).

## 1. What is political economy?

### 1.1

Political economy is a curious science. Difficulties and conflicting opinions arise at the very first step on its terrain, with the most basic question of all: What is the specific object of this science? The simple worker, who has only a rather vague idea of what political economy teaches, will ascribe his lack of understanding to his own inadequate general education. Yet, in some respects, he shares his misfortune here with many learned doctors and professors, who write thick volumes about political economy and deliver lectures to young people studying at the universities. Incredible as it sounds, the fact is that most specialists in political economy themselves have a very confused notion as to what the real object of their specialism is.

Since it is the custom for these learned gentlemen to work with definitions, that is, to reduce the nature of the most complex things to a few well-ordered sentences, we shall seek by way of example to find out from one official representative of political economy what this science is basically about. Let us listen first of all to what the doyen of the German professorial world, the author of countless frightfully thick textbooks on political economy, the founder of the so-called “historical school,” Wilhelm Roscher, has to say on the subject. In his first major work, *Grundlagen der Nationalökonomie. Ein Hand- und Lesebuch für Geschäftsmänner und Studierende* [*Fundamentals of Political Economy. A Handbook and Textbook for Businessmen*

and Students], which appeared in 1854 and has since gone through twenty-three editions, we read in Chapter 2, paragraph 16:

We understand by political economy the theory of national economic life, the theory of the laws of development of the national economy, of the economic life of the nation (philosophy of national economic history according to [Hans Karl Emil] von Mangoldt). This links up in one direction, like all sciences of national life, with consideration of the individual person; it expands in the other sense to the study of humanity as a whole.

Does this help “businessmen and students” understand what “national economic theory” is? It is precisely – the theory of national economy. What are horn-rimmed spectacles? Spectacles with a horn-rim. What is a pack-ass? An ass on which burdens are packed. An extremely simple procedure, in fact, for explaining to little children the use of compound words. The only trouble is that anyone who does not already know the meaning of the words in question will be none the wiser, no matter which way round the words are placed.

Let us turn to another German scholar, who currently teaches political economy at the University of Berlin, a luminary of official science famous “far across the land, down to the blue sea,” in other words Professor [Gustav von] Schmoller. In the great collective work of German professors edited by Professors [Johannes] Conrad and [Wilhelm] Lexis, *Handwörterbuch der Staatswissenschaften* [Concise Dictionary of the Political Sciences], Schmoller gives the following answer to the question what this science might be, in an essay on economic theory:

I would say that it is the science that seeks to describe, define, and explain in causal terms national economic phenomena as a coherent whole, which naturally presupposes that national economy has already been correctly defined. At the center of this science stand those phenomena of division and organization of labor, of commerce and the distribution of income, of social economic institutions, supported by particular forms of private and public law, that are typically found among present-day civilized peoples, and that, controlled by the same or similar mental forces, produce similar or identical arrangements or forces, presenting in their total description a statics of the present economic civilized world, a kind of average constellation. Starting from this point, the science has gone on to investigate the differences between particular national economies, the various forms of organization here and there, and thus to inquire as to the combination and series in which these different forms emerge, and has in this way come to the notion of a causal development of forms and a historical succession of economic conditions; it has thus added to the static treatment a dynamic one. And as, from its first appearance, it already came by way of ethical-historical value judgments to the positing of ideals, it has continued to maintain this practical function to a certain degree. Alongside theory, it has posited practical lessons for life.

Phew! Let’s pause for breath. What was all that? Social economic arrangements – private and public law – mental forces – similar and the same – the same and similar – statistics – statics – dynamics – average constellation – causal development – ethical-historical value judgments ... For ordinary mortals, this has the same numbing effect as a millwheel turning in the brain. In his insistent drive for knowledge, and his blind confidence in the spring of professorial wisdom, he makes the painful effort of going through the whole nonsense twice and three times, trying to extract some conceivable meaning. Unfortunately this is all needless trouble. What we’re offered is precisely nothing but echoing phrases, hollow words screwed together. An unmistakable sign of this is that anyone who thinks clearly, and has a genuine mastery of

his subject matter, also expresses himself clearly and understandably. Someone who expresses himself in obscure and high-flown terms, if he is not a pure philosophical idea-creator or a fantasist of religious mysticism, only shows that he is himself unclear about the matter, or has reason to avoid clarity. We shall go on to show that the obscure and confusing language of bourgeois scholars as to the nature of political economy is not accidental, but actually expresses two things: both the unclearness of these gentlemen themselves, and their tendentious, stubborn rejection of a real explanation of the question.

That the clear definition of the nature of political economy is indeed a contentious question is suggested by a certain external circumstance. This is the fact that the most contradictory views are expressed as to the *age* of this science. For example, the late Adolphe Blanqui – a well-known historian and professor of political economy at the University of Paris, and brother of the famous socialist leader and Commune fighter Auguste Blanqui – started the first chapter of his *History of Political Economy*, published in 1837, with the following epigraph: “Political economy is older than people think. The Greeks and the Romans already had their own.” Other writers on the history of political economy, however, for instance the former *Dozent* at the University of Berlin, Eugen Dühring, consider it important to stress that political economy is much younger than people generally believe: according to them, this science only properly arose in the second half of the eighteenth century.

To cite socialist judgments on this question, Lassalle in the preface to his classic polemical text of 1864 against Schulze-Delitzsch, *Kapital und Arbeit* [Capital and Labor], made the following assertion: “Political economy is a science that is only at its beginnings and still to be constructed.” Karl Marx, for his part, gave the first volume of his economic masterwork *Capital* that appeared three years later, representing the fulfillment of the expectation expressed by Lassalle, the subtitle “Critique of Political Economy.” In this way, Marx placed his own work outside the previous political economy, considering this as something confined and superseded, and setting out to criticize it. It is clear that a science that one lot of people maintain is almost as old as the written history of humanity, a second lot that it is scarcely a century and a half old, a third lot that it is still in diapers, and others again that it has already run its course and the time has come for its critical burial – it is clear that such a science presents a rather peculiar and tangled problem.

We would receive equally poor advice if we were to ask one of the official representatives of this science to explain the remarkable fact that political economy, as currently prevailing opinion holds, only arose so late, scarcely a hundred and fifty years ago. Professor Dühring, for example, in a great flood of words, argues that the ancient Greeks and Romans had scarcely any scientific notion of political-economic matters, only “unsound,” “superficial,” “most commonplace” ideas taken from everyday experience, while the whole of the Middle Ages was extremely “unscientific.” Which learned explanation does not take us a single step forward, not to mention the fact that it is also quite misleading, particularly in its generalization about the Middle Ages.

A different original explanation is offered by Professor Schmoller. In the same essay that we cited above from the *Handwörterbuch der Staatswissenschaften*, he tells us:

For several centuries, individual private and social economic facts were observed and described, individual truths of national economy recognized, and economic questions discussed in systems of ethics and law. These relevant individual parts could only be united when questions of national economy acquired

previously unsuspected importance for the ruling and administration of states, from the seventeenth through to the nineteenth century, when numerous writers concerned themselves with them and instruction of students in them became necessary, while at the same time the rise of scientific thinking in general led to the accumulated propositions and truths of national economy being combined, by way of certain fundamental ideas – such as money and exchange, state economic policy, labor and the division of labor – into connected systems, as was attempted by major writers of the eighteenth century. Since this time, national economic theory or political economy has existed as an independent science.

If we briefly summarize this long speech, we obtain the lesson: individual political-economic observations, which existed as separate facts for a long while, came together in a particular science when this was required for the “ruling and administration of states” – i.e. governments – and it became necessary for this purpose to teach political economy in universities. What a wonderful and classic explanation from a German professor! First a chair is founded, when this is “required” by the praiseworthy government, to be occupied by an assiduous professor; then of course the corresponding science has also to be created, otherwise what could the professor teach? Doesn’t this remind us of the master of court ceremonies who maintained that there would always have to be monarchies, otherwise what would be the function of a master of ceremonies? For the basic contention here is indeed that political economy came into being because the governments of modern states needed this science. The command of the powers that be is the genuine birth certificate of political economy. It is completely in character with the way of thinking of a present-day professor who, as scientific valet of the Reich government of the day, agitates “scientifically” as need arises for certain naval, customs or tax proposals, or as a battlefield hyena preaches chauvinist national hatred and intellectual cannibalism during a war – it is completely in character to imagine that the financial needs of princes, the interests of “royal treasuries,” a word of command from governments, is all that is needed to conjure a new science out of the ground. For the rest of humanity, however, those not paid out of the exchequer, such a notion has its difficulties. Above all, this explanation only raises a new puzzle. For we then have to ask: what happened so that around the seventeenth century, as Professor Schmoller maintains, the governments of modern states suddenly felt a need to dupe their dear subjects according to scientific principles, whereas for countless centuries they had managed quite successfully in the old-fashioned way, without such principles? Should we not turn all this upside down and see the new-fangled needs of “royal treasuries” as simply a modest consequence of that great historical transformation out of which the new science of political economy arose around the middle of the nineteenth century?

In brief, after failing to learn from this learned guild what political economy actually deals with, we do not even know when and why it arose.

## 1.2

One thing, at any rate, is established: in all the definitions of bourgeois specialists we have cited above, it is always a question of “national economy.” And “political economy” is only a foreign word for the theory of national economy. The concept of national economy stands at the center of discussion for all official representatives of this science. What then actually is this national economy? Professor Bücher, whose work *Die Entstehung der Volkswirtschaft* [The Rise of the National Economy] enjoys a high reputation both in Germany and abroad, offers the following information:

The national economy is formed by the totality of arrangements, dispositions and procedures that the satisfaction of the needs of an entire nation demands. This national economy, again, breaks down into numerous particular economies, which are connected with one another by trade, and dependent on one another in a variety of ways as a result of the fact that each undertakes particular tasks for all the others and has the others undertake such tasks for it.

Let us try to translate this learned “definition” into the language of ordinary mortals.

If the first thing we hear is the “*totality* of dispositions and procedures” that are designed to satisfy the needs of an entire nation, we are forced to consider everything possible: factories and workshops, agriculture and stock-raising, railways and warehouses, but also church preaching and police surveillance, ballet performances, civil servants and observatories, parliamentary elections, national guards and military associations, chess clubs, dog shows and duels – for all these and an endless chain of other “dispositions and procedures” serve today to “satisfy the needs of an entire nation.” The national economy would then be everything that takes place under the sun, and political economy a universal science “of all things and more,” as the Latin tag goes.

The generous definition of the Leipzig professor evidently has to be restricted somewhat. Very likely he only wants to refer to “arrangements and procedures” that serve to satisfy the *material* needs of a nation, or more precisely, the satisfaction of such needs by material things. And even then the “totality” would be far too widely conceived, and easily float off again into the mist. Yet we shall try to find our way here as best we can.

People all need, in order to live, food and drink, a protecting roof, clothing in cold regions, as well as all kind of articles of daily use in the home. These things may be simpler or more refined, be supplied sparingly or abundantly, but they are indispensable for the existence of any human society and must consequently be constantly produced by people – we are not in the land of Cockaigne. In every kind of culture, as well, there are all kinds of objects that serve to improve life and satisfy intellectual and social needs, such as weapons for defense against enemies: among the so-called savages, dance masks, bows and arrows and idols; for us, luxury goods, churches, machine-guns and submarines. The production of all these articles requires, in turn, various natural materials, as well as the various tools with which they are produced. These materials, too, such as stones, wood, metal, plants etc., are obtained from the earth by human labor, and the tools that are used in this connection are likewise the product of human labor.

If this rough-hewn notion is temporarily satisfactory, we could conceive the national economy as follows: each nation constantly creates by its own labor a mass of things that are necessary for life – food, clothing, buildings, household articles, jewelry, weapons, religious objects, etc. – using the materials and tools that are indispensable for their production. The way in which a nation performs all this labor, how it distributes the goods produced among its individual members, how it consumes them and produces them afresh in an endless cycle – all this together forms the economy of the people in question, a “national economy.” This would then be more or less the meaning of the first sentence in Professor Bücher’s definition. But we have to go into rather more detail.

“This national economy, again, breaks down into numerous particular economies, which are connected with one another by trade, and dependent on one another in a variety of ways as a result of the fact that each undertakes particular tasks for all and has others undertake such tasks for it.” Here we come up against a new question:

What are these “particular economies” that the “national economy,” which we have taken pains to conceive properly, breaks down into? The first thing that suggests itself would be individual households, family economies. Indeed, each nation in the so-called civilized countries does consist of a number of families, and each family as a rule also conducts its “economy.” This private economy consists in the family obtaining certain monetary incomes, whether from the employment of its adult members or from other sources, with which it in turn meets its needs for food, clothing, housing, etc.; and in this connection, if we think of a family economy, it is usually the housewife, the kitchen, the wash-tub and the nursery that form the center of this notion. Are these then the “individual economies” into which the “national economy” breaks down? We get into a certain confusion here. The national economy, as we have just understood it, involves first and foremost the production of all those goods that are used as food, clothing, housing, furniture, tools and materials for life and labor. At the center of the national economy stands *production*. In family economies, on the other hand, we see only the *consumption* of the objects that the family obtains ready-made out of its income. We know that most families in modern states today buy almost all their foodstuffs, clothing, furniture, etc. ready-made from shops or markets. In the domestic economy meals are prepared only with bought foodstuffs, and clothes generally made from bought material. Only in very backward rural districts are there still peasant families who provide for most of their needs by their own household work. Of course there are on the other hand, even in modern states, many families who do produce various industrial products at home, such as domestic weavers and garment workers; there are even, as we know, whole villages where toys and similar things are produced on a mass scale domestically. But here the product manufactured by these families belongs exclusively to the entrepreneur who ordered it and paid for it; not the slightest part of it goes into their own consumption, into the economy of the home-working family. For their own household economy, these domestic workers buy everything ready-made out of their meager wages, in the same way as other families. Bücher’s statement that the national economy breaks down into many individual economies would thus lead to something like the following result: the production of the means of existence of a whole nation “breaks down” simply into the *consumption* of means of subsistence by individual families – a statement that looks much like utter nonsense.

An additional doubt also arises. According to Professor Bücher, these “individual economies” are “connected with one another by exchange” and completely dependent on one another because “each undertakes particular tasks for all others.” What kind of exchange and dependence does this mean? Is it for example exchange between friends and neighbors, of the kind that takes place between various private families? But what does such exchange actually have to do with the national economy, with the economy as a whole? Any capable housewife, indeed, will maintain that it is better for the household and for domestic peace that as little exchange as possible takes place between neighbors in different houses. And as to precisely what this “dependence” involves, it is impossible to see what “tasks” the household economy of pensioner Meyer is supposed to undertake for the household economy of headmaster Schulze and “all others.” We have clearly taken a completely wrong turn here, and have to tackle the question from a different direction.

It evidently cannot be individual family households into which Professor Bücher’s “national economy” breaks down. Shouldn’t it rather be such things as factories, workshops, and agricultural holdings? One fact seems to confirm that this leads us onto the correct path. All these businesses are where various things really are produced and manufactured that serve the maintenance of the whole nation,

while on the other hand there is real exchange and mutual dependence among them. A factory making trouser buttons, for example, is completely reliant on the tailoring workshops where it finds outlets for its goods, while the tailors in turn can't produce proper trousers without buttons. On the other hand, the tailoring workshops need materials, and this makes them reliant on the weavers of cotton and wool, who in turn depend on sheep-rearing and the cotton trade, etc., etc. Here we really can see a ramified connection of production. It is of course rather pompous to speak of "tasks" that each of these businesses "undertakes for all others," when what we have is the most ordinary sale of trouser buttons to tailors, of wool to spinning plants, and the like. But we have to accept such flowery language as unavoidable professorial jargon, as they love to wrap the profitable little deals of the business world in a bit of poetry and "ethical value judgments," as Professor Schmoller so nicely puts it. It is just that still more serious doubts arise at this point. The individual factories, agricultural holdings, coalmines and iron works are said to be so many "individual economies" into which the national economy "breaks down." But this concept of an "economy," at least as we have now conceived the national economy, must evidently include within a certain orbit both the manufacture of means of subsistence and their use, both production and consumption. In these factories, workshops, mines and plants, however, only production takes place, and indeed only for others. What are consumed here are only the materials and tools that are needed for labor. The finished product, for its part, in no way enters into consumption within the same business. Not a single trouser button is consumed by the manufacturer and his family, let alone by the factory workers, nor are iron tubes consumed by the iron-works proprietor's family. Besides, if we try to define the "economy" more closely, we must always understand by it something whole, to a certain extent entire unto itself, more or less the production and consumption of the most important means of subsistence required for human existence. Today's individual industrial and agricultural businesses, however, as every child knows, only produce a single product, or at most a few products, which would be far from sufficient for human maintenance, most of these moreover being not at all consumable, just one part of a food product, or a raw material or tool needed for this. Present-day production facilities are precisely just fragments of an economy, having no meaning and purpose of their own in economic terms, so that they immediately strike even the untutored eye as not forming any "economy" by themselves, but only a shapeless little splinter of an economy. So if we say that the national economy, i.e. the totality of arrangements and procedures that serve to satisfy the needs of a people, breaks down again into individual economies, which are factories, workshops, mines, etc., we could equally well say that the totality of biological arrangements that serve to perform the functions of the human organism is the human being itself, which breaks down again into several individual organisms that are the nose, ears, legs, arms, etc. The present-day factory, in fact, is no more an "individual economy" than the nose is an individual organism.

This route too thus leads to an absurdity – proof that the artful definitions of bourgeois scholars, constructed simply on the basis of external characteristics and word-splitting, have an evident reason in this case to circumvent the true heart of the matter.

Let us now attempt to subject the concept of national economy to a closer examination.

### 1.3

We are told about the needs of a nation, about the satisfaction of these needs in an interconnected economy, and in this way about the economy of a nation. Political

economy would then be the science that explains to us the nature of this national economy, i.e. the laws according to which a nation creates and increases its wealth by labor, distributes this among individuals, consumes it and creates it afresh. The object of the investigation should thus be the economic life of a whole nation, in contrast with a private or individual economy, whatever the latter might mean. It appears to confirm this notion that the epoch-making book published in 1776 by Adam Smith, who is seen as the father of political economy, bore the title *The Wealth of Nations*.

The first thing we must ask, however, is whether there really is such a thing as the economy of a nation. Do nations each conduct a separate household, a closed economic life? Since the expression "national economy" is especially popular in Germany, let us turn our attention to this country.

The hands of German workers, male and female, produce each year tremendous quantities of all kinds of useful products. But is all this produced just for the use of the population living in the German Empire? We know that an enormous proportion of German products, growing every year, is dispatched to other countries and parts of the world, for the use of other nations. German iron products go to various neighboring European countries, and further afield to South America and Australia; leather and leather goods go from Germany to all European states; glass products, sugar and gloves find their way to England; animal hides to France, England and Austria-Hungary; the dye-stuff alizarin to England, the United States and India; phosphates for artificial fertilizer to the Netherlands and Austria-Hungary; coke to France; coal to Austria, Belgium, the Netherlands and Switzerland; electrical cable to England, Sweden and Belgium; toys to the United States; German beer, indigo, aniline and other coal-tar dyes, German pharmaceuticals, cellulose, gold articles, stockings, cotton and woolen materials and clothes, and German locomotive rails are dispatched to almost all trading countries across the world.

Conversely, however, the German people are reliant at every turn in their labor, as well as in daily consumption, on products of other countries and nations. We eat bread from Russian wheat and meat from Hungarian, Danish and Russian cattle; the rice that we consume comes from the East Indies and North America, tobacco from the Dutch East Indies and Brazil; we receive cocoa beans from West Africa, pepper from India; lard from the United States; tea from China; vegetables from Italy, Spain and the United States; coffee from Brazil, Central America and the Dutch East Indies; meat extract from Uruguay; eggs from Russia, Hungary and Bulgaria; cigars from the island of Cuba; pocket watches from Switzerland; sparkling wine from France; cattle hides from Argentina; feathers for beds from China; silk from Italy and France; flax and hemp from Russia; cotton from the United States, India and Egypt; fine wool from England; jute from India; malt from Austria-Hungary; linseed from Argentina; certain kinds of coal from England; lignite from Austria; nitre from Chile; quebracho for tanning from Argentina; construction timber from Russia; cork from Portugal; copper from the United States; tin from the Dutch East Indies; zinc from Australia; aluminum from Austria-Hungary and Canada; asbestos from Canada; asphalt and marble from Italy; cobblestones from Sweden; lead from Belgium, the United States and Australia; graphite from Ceylon, phosphoric lime from America and Algeria; iodine from Chile ...

From the simplest foodstuff eaten every day to the most sought-after luxury goods and the materials and tools needed for them, the greater part come directly or indirectly from foreign countries, entirely or in one or other component, and are the product of other people's labor. To make our life and work possible in Germany, we

have almost all other countries, peoples and parts of the world work for us, and we work in turn for all these countries.

In order to get an idea of the enormous scope of this exchange, let us cast a glance at the official statistics for imports and exports. According to the *Statistisches Jahrbuch für das Deutsche Reich* [Statistical Yearbook of the German Empire], 1914 edition, Germany's total trade (net of goods arriving in Germany for re-export) was as follows.

Germany imported in 1913:

- Raw materials: to the value of 5,262 million marks
- Semi-finished products: 1,246 million marks
- Finished products: 1,776 million marks
- Foodstuffs and consumer goods: 3,063 million marks
- Live animals: 289 million marks

In total, 11,63815 million marks, or close to 12 thousand million.

In the same year, Germany exported:

- Raw materials: 1,720 million marks
- Semi-finished products: 1,159 million marks
- Finished products: 6,642 million marks
- Foodstuffs and consumer goods: 1,362 million marks
- Live animals: 7 million marks

In total, 10,891 million marks or nearly 11 billion marks. Germany's annual foreign trade thus amounts to more than 22 billion marks.

The situation is the same, to a greater or lesser extent, in other modern states, precisely those with which political economy has been exclusively concerned. All these countries produce for one another, partly even for the most far-flung parts of the world, while likewise consuming all along the line products from all other parts of the world.

In the light of such a tremendously developed reciprocal exchange, how are we to draw the borders between the "economy" of one nation and that of another? Should we speak of so many "national economies" as if these could be treated as separate territories in economic terms?

Of course, the increasing international exchange of goods is no new discovery, unknown to bourgeois scholars. Official statistical surveys and their annually published reports have long since made the facts reported the common property of all educated people; businessmen and industrial workers, moreover, know them from their daily life. The fact of rapidly increasing world trade is so universally known and recognized today that it can no longer be challenged or doubted. But how is this question conceived by the academic specialists in political economy? As a purely external chance connection, as the export of a so-called "surplus" in the products of one country over and above its own needs and the import of what is "lacking" in its own economy – a connection that in no way prevents them from continuing to speak as before of the "national economy" and "national-economic theory."

Professor Bücher, for example, proclaims, after he has lectured us at length about the present-day "national economy" as the highest and final stage of development in the series of historical economic forms:

It would be a mistake to conclude from the successful easing of international trade in the liberal age that the era of national economy is on the decline and making way for an era of world economy ... We certainly see today in Europe a series of states that renounce national autonomy in their provision of goods to the extent that they are forced to obtain considerable quantities of their food and consumer goods from abroad, while their industrial production capacity has grown far beyond the national need and supplies regular surpluses that have to seek their utilization in foreign lands. But the existence alongside one another of such industrial and raw-material producing countries that are mutually reliant, this “international division of labor,” should not be taken as a sign that humanity is on the brink of reaching a new stage of development, and be opposed to earlier stages under the name of a *world economy*. For, on the one hand, no economic stage has guaranteed complete ability to satisfy its own needs in the long term; each leaves certain gaps, which have had to be filled in one way or another. On the other hand, at least up to this time, no signs of this so-called world economy have yet appeared that depart from those of the national economy in their essential characteristics, and it is very doubtful whether such will appear in the foreseeable future.

Still bolder is Professor Bücher’s younger colleague [Werner] Sombart, who declares point-blank that we are not moving into a world economy, but on the contrary increasingly departing from this:

The civilized peoples, I would rather maintain, are today (as far as their overall economy goes) not fundamentally more, but rather less linked with one another by trading relations. The individual national economy today is not more but actually less involved in the world market than a hundred or fifty years ago. At least ... it would be wrong to assume that international trade relations are acquiring a relatively growing importance for the modern national economy. The opposite is the case.

Professor Sombart is convinced that “individual national economies are becoming ever more complete microcosms [i.e. small closed worlds – R.L.] and that the internal market increasingly overshadows the world market in importance for all lines of trade.”

This blatant foolishness, which recklessly flies in the face of all daily perceptions of economic life, most happily underlines the stubborn reluctance of the gentlemen of the scholarly guild to recognize the world economy as a new phase of development of human society – a reluctance that it is well worthwhile to note, and whose hidden roots we shall go on to examine.

So, because at “earlier economic stages,” for example at the time of King Nebuchadnezzar, “certain gaps” in people’s economic life were filled by exchange, *present-day* world trade has nothing to teach us, and we still have a “national economy.” That is Professor Bücher’s opinion.

How indicative this is about the crude historical conception of a scholar whose fame is based precisely on supposedly acute and deep insights into economic history! With the help of a fatuous schema, he brings the international trade of the most varied stages of economy and civilization, separated by millennia, under a single category. Of course there never has been any social form without exchange, and there is not today. The oldest prehistoric discoveries, the most primitive caves used as dwellings by “antediluvian” human beings, the most primitive graves from early times, all give evidence of a certain exchange of products already between distant regions. Exchange is as old as human culture itself, it has ever been a constant

accompaniment of this and its most powerful promoter. In this general knowledge, quite vague in its generality, our scholar now drowns all particularities of different eras, levels of civilization and economic forms. Just as all cats are grey in the dark, so in the obscurity of this professorial theory all forms of exchange, no matter how diverse, are one and the same. The primitive exchange of an Amerindian tribe in Brazil, who every now and then happen to exchange their uniquely woven dance masks for the artfully made bows and arrows of another tribe; the gleaming warehouses of Babylon, where the splendors of Oriental court life were accumulated; the ancient market of Corinth, where at the new moon Oriental cloth, Greek pottery, paper from Tyre, Syrian and Anatolian slaves were offered for sale to rich slave-owners; the medieval maritime trade of Venice, supplying luxury goods to European feudal courts and patrician houses – and the present-day capitalist world trade, which has brought East and West, North and South, all the oceans and corners of the world into its net, and year in, year out moves tremendous quantities of goods hither and thither – from the beggar's daily bread and firewood through to the artworks most sought after by rich connoisseurs, from the simplest fruit of the soil through to the most complicated tool, from human labor-power, the source of all wealth, through to the deadly instruments of war – all this is one and the same for our professor of political economy: simply the “filling” of “certain gaps” in the independent economic organism! ...

Fifty years ago, Schulze von Delitsch taught the German workers that each person nowadays first of all produced for himself, but “those products he does not need himself ... he exchanges for the products of others.” Lassalle's response to him remains unforgettable:

Herr Patrimonialrichter Schulze! Have you no idea at all about the real pattern of social labor today? Didn't you come from Bitterfeld and Delitzsch? In what century of the Middle Ages are you still living with these ideas? ... Have you no inkling that social labor today is precisely characterized by the fact that each person produces precisely what he cannot use himself? Have you no inkling that this has to be so, ever since the rise of modern industry, that the form and essence of present-day labor lies in this, and that without the sharpest emphasis on this point it is impossible to understand a single page of our present-day economic conditions, not a single one of our present-day economic phenomena?

According to you, then, Herr Leonor Reichenheim in Wüste-Giersdorf produces first of all the cotton yarn that he needs for himself. The surplus, which his daughters cannot work up into more stockings and nightshirts for him, he exchanges.

Herr Borsig first of all produces machines for his family's needs. He then sells the surplus machines.

The workshops making mourning clothes provide first of all for deaths in their own families. But if there are too few of these, and some mourning clothes are left over, they exchange them.

Herr Wolff, proprietor of the local telegraph office, first has messages come in for his own instruction and pleasure. And when he's had his fill, if there are any left over, he exchanges them with the stock-exchange sharks and newspaper editorial offices against their surplus newspaper reports and shares! ...

In conclusion, it is precisely the distinctive character of labor in *earlier* periods of society, to be sharply emphasized, that at this time people produced first of all for their own needs and parted with the surplus, i.e. they principally pursued a

natural economy.

And it is again the distinctive character, the specific determination of labor in *modern* society, that each produces only what he in no way does need, i.e. that everyone produces exchange-values, whereas previously they produced use-values.

And do you not understand, Herr Schulze, that this is the necessary “form and manner of performing labor,” ever more prevailing, in a society in which the division of labor has developed to such a degree as it has in modern society?

What Lassalle tried here to explain to Schulze about capitalist private enterprise applies more each day now to the economic pattern of highly developed capitalist countries such as England, Germany, Belgium or the United States, in whose footsteps the others are following one after the other. And the attempt by the progressive patrician from Bitterfeld to mislead the workers was only more naive, but no cruder, than the tendentious arguments of a Bücher or Sombart against the concept of a world economy today.

Punctilious civil servant that he is, the German professor loves proper order. For the sake of order, he also likes to arrange the world nicely into the pigeon-holes of a scientific schema. And in the same way as he places his books on the shelves, so he has also divided the different countries onto two shelves: on the one hand, countries that produce industrial goods and have “a surplus” of these; on the other, countries that pursue agriculture and stock-raising and whose products meet a shortage in other lands. This is how international trade arises, and what it is based on.

Germany is the one of the most industrialized countries in the world. According to this schema, its most vigorous trade should be with a large agricultural country such as Russia. How is it then that Germany’s most important trading partners are the two other most industrialized countries: the United States and Britain? Germany’s trade with the United States in 1913 amounted to 2,400 million marks, and with Britain to 2,300 million; Russia only came in third place. And especially as regards exports, the leading industrial state in the world is precisely the greatest customer for German industry: with 1,400 million marks’ worth of annual imports from Germany, England stands in first position, leaving all other countries far behind. The British Empire, including its colonies, takes a good fifth of German exports. What does the professorial schema say about this remarkable phenomenon?

Here industrial countries, there agricultural ones – that is the rigid skeleton of world economic relations with which Professor Bücher and most of his colleagues operate. Back in the 1860s, however, Germany was an agricultural country; it had a surplus of agricultural products and had to obtain the most necessary industrial goods from England. Since then, it has also been transformed into an industrial country, and the most powerful rival to England. The United States is doing the same as Germany did in the 1870s and 80s, in a yet briefer interval; it is already well along this path. America is still one of the largest grain-producing countries in the world, along with Russia, Canada, Australia and Romania, and according to its last census (which dates from 1900) as many as 36 percent of its total population is still employed in agriculture. At the same time, however, the country’s industry is striding forward at an unmatched speed, so that it presents a dangerous contender to England and Germany. We could set up a prize competition for our great faculties of political economy to define whether the United States, in Professor Bücher’s schema, should be classified as an agricultural state or an industrial one. Russia is slowly following on the same path, and as soon as it casts off the fetters of an obsolete form of state it will catch up, thanks to its tremendous population and inexhaustible natural wealth, and appear in our own lifetimes alongside Germany, England and the United

States as a powerful industrial country, if it does not indeed overshadow them. The world is precisely not a rigid skeleton, unlike the wisdom of a professor; it is living, moving and changing. The polar opposition between industry and agriculture, from which international exchange is supposed to emerge, is thus itself something fleeting; it will steadily shift ever more from the center of the modern civilized world to its periphery. What is happening meanwhile with trade within this ambit of civilization? According to Bücher's theory it should steadily dwindle. But instead – a miracle! – trade is growing ever greater between the industrial countries themselves.

Nothing is more instructive than the picture that the development of our modern economic region offers in the last quarter of a century. Despite the fact that there have been real orgies of tariff raising in all the industrial countries and major states of Europe, as also in America, i.e. mutual artificial barriers to "national economies," world trade has not stopped developing in this period – it has pursued a furious course. And that increasing industrialization and world trade go hand in hand, even a blind person can see from the example of the three leading countries: England, Germany and the United States.

Coal and iron form the core of modern industry. Coal production from 1885 to 1910 rose as follows:

- in England from 162 to 269 million tons
- in Germany from 74 to 222 million tons
- in the United States from 101 to 455 million tons

Pig iron production rose in the same period

- in England from 7.5 to 10.2 million tons
- in Germany from 3.7 to 14.8 million tons
- in the United States from 4.1 to 27.7 million tons

At the same time, annual foreign trade (imports and exports) rose from 1882 to 1912

- in England from 13,000 to 27,400 million marks
- in Germany from 6,200 to 21,300 million marks
- in the United States from 5,500 to 16,200 million marks

If however we take the total foreign trade (imports and exports) of *all* the more important countries on earth in recent years, this rose from 105,000 million marks in 1904 to 165,000 million in 1912. That means a growth of 57 percent in eight years! There is not even a close parallel to this breath-taking pace of economic development in the whole of previous world history – "the dead ride swiftly." The capitalist "national economy" seems in a hurry to exhaust the limits of its capacity, to shorten the remission period in which it can justify its existence. And what does the schema of "certain gaps" and the clumsy dance between industrial and agricultural countries have to say about this?

Yet there is no longer such a puzzle in modern economic life.

Let us take a closer look at the tables for German imports and exports, instead of resting content with total sums of goods exchanged or their major economic categories; let us examine as an experiment the most important kinds of German trade.

Two facts immediately strike the most superficial observer. The first is that in several cases one and the same type of commodity figures in *both* columns, even if in different quantities. Germany sends enormous quantities of machinery abroad, but it also imports machinery from abroad to the considerable annual sum of 80 million

marks. Likewise, coal is exported from Germany while at the same time foreign coal is imported into Germany. The same holds for cotton goods, woolen yarn and finished goods, also for hides and skins, and many other goods that are not included in this table. From the standpoint of a crude opposition between industry and agriculture, which our professor of political economics uses like Aladdin's lamp to illuminate all the secrets of modern world trade, this remarkable duplication is quite incomprehensible; it even appears completely absurd. What is happening here? Has Germany a "surplus over and above its own needs," or on the contrary "certain gaps"? Both in coal and in cotton goods? And in cattle hides? And a hundred more! Or is a "national economy" supposed always to show some kind of "surplus" and "certain gaps"? Aladdin's lamp is flickering insecurely. Clearly the observed facts can only be explained if we assume that there exist more complicated and far-reaching economic connections between Germany and other countries, a ramified and detailed division of labor that allows for certain kinds of the same products to be produced in Germany for other countries, other kinds abroad for Germany, creating a continuous to and fro in which individual countries appear only as organic parts of a greater whole.

Besides, anyone must be struck at first glance in the table above by the fact that imports and exports do not appear here as two separate phenomena in need of explanation, on the one hand by "gaps" in a country's own economy, on the other by its "surpluses," but that they are instead linked causally together. Germany's tremendous cotton import is quite evidently not the result of its population's own needs, but is rather designed from the start to make possible the great export of cotton goods and clothing from Germany. Likewise, the connection between the import of wool and the export of woolen goods, and between the tremendous import of iron from abroad and the tremendous export of iron goods of every shape and form, and so on. Thus Germany imports in order to be able to export. It does not artificially create "certain gaps" so as to subsequently transform these gaps into as many "surpluses." The German "microcosm" thus appears from the start, in all its dimensions, as a fragment of a greater whole, as a single workshop in the world.

In 1913 [Germany imported and exported as follows – red texts]

Category	Imported (million marks)	Exported (million marks)
Aniline, other dyestuffs	–	142
Barley	390	–
Calf skins	95	–
Cattle hides	322	–
Cattle skins	–	81
Chilean nitre	172	–
Clothing	–	132
Coal	–	516
Coke	–	147
Copper goods	–	130
Copper ore	335	–
Cotton goods	72	446
Cotton, raw	607	–
Cotton yarn	116	61
Eggs	194	–
Iron ingots	–	205

Iron ore	227	—
Iron products	—	652
Iron tubing	—	84
Iron wire	—	76
Jute	94	—
Lamb, sheep, goat skins	73	—
Leather goods	—	114
Leather uppers	—	114
Lignite	69	—
Machines of all kinds	80	680
Paper, paper products	—	263
Pig iron	—	65
Pine planks	135	—
Pine, raw	97	—
Rails, etc	—	73
Raw silk	158	—
Rubber	147	—
Rubber goods	—	57
Sheet iron	—	102
Silk goods	—	202
Skins for fur	188	225
Toys	—	103
Wheat	117	—
Wool, combed	61	—
Woolen goods	43	271
Woolen yarn	108	91
Wool, raw	413	—

But let us examine this “microcosm” rather more closely, in its “ever more perfect” self-satisfaction. Let us imagine that by some kind of social and political catastrophe the German “national economy” were actually cut off from the rest of the world and left to its own devices. What picture would this then present?

Let us start with the daily bread. German agriculture has twice as high a yield as that of the United States; in terms of quality it holds first place among the world’s agricultural countries, and it is only outdone by the still more intensive cultivation of Belgium, Ireland and the Netherlands. Fifty years ago, Germany with an agriculture that was then far more backward was one of the granaries of Europe; it fed other countries with the surplus of its own bread. Today, despite the higher yield, German agriculture is not nearly sufficient to feed its own people and its own cattle: a sixth of the foodstuffs needed have to be obtained from abroad. In other words, if the German “national economy” were to be cut off from the world, a sixth of the population, some 11 million Germans, would be deprived of their sustenance.

The German people spend 220 million marks each year on coffee, 67 million on cocoa, 8 million on tea, 61 million on rice; they spend at least another 10 million marks on various spices, and 134 million on imported tobacco. All these products, which even the poorest people today cannot dispense with, which are part of everyday habit and subsistence, are not produced in Germany at all (or, as in the case of tobacco, only in small quantities), since the German climate is unsuited to them. If Germany were to be permanently closed off from the world economy, the subsistence

of the German people, which corresponds to its present level of civilization, would collapse.

Let us turn from food to clothing. Both the underwear and the outer clothing of the broad mass of people are today made entirely from cotton, the underwear of the richer bourgeoisie from linen and their outer garments from fine wool and silk. Neither cotton nor silk are produced in Germany at all, and no more is the highly important textile jute or the finest wool, Britain having a world monopoly on these; Germany also has a great shortfall in hemp and flax. If Germany were permanently cut off from the world, both raw materials from abroad and outlets for exports would disappear, and all classes of the German people would be deprived of their most essential clothing; the Germany textile industry, which together with the clothing industry today provides a livelihood for 1,400,000 adult and juvenile workers of both sexes, would be ruined.

We can go on. The backbone of today's large-scale industry is what is known as heavy industry, i.e. machine production and metallurgy; and the backbone of these is metal ore. In 1913, Germany consumed some 17 million tons of pig iron. Its own production of pig iron also amounts to 17 million tons. At first glance, it might look as if the German "national economy" could cover its own needs in terms of iron. But the production of pig iron requires iron ore, and we find that Germany's own demand for iron ore alone amounts to some 27 million tons, a value of more than 110 million marks, while 12 million tons of higher-quality iron ore costing more than 200 million marks, ore without which the German metal industry could not continue, is obtained from Sweden, France and Spain.

The other metals present more or less the same picture. Against an annual consumption of 220,000 tons of zinc, Germany produces 270,000 tons itself, out of which 100,000 tons is exported, while more than 50,000 tons of metal is obtained from abroad to cover its needs. The zinc ore needed is again only partly obtained in Germany, some half a million tons to the value of 50 million marks. 300,000 tons of higher-quality ores costing 40 million marks have to be imported. With lead, Germany imports 94,000 tons of finished metal and 123,000 tons of ore. And with copper, finally, German production with an annual consumption of 241,000 tons depends on imports from abroad for as much as 206,000 tons. Tin, for its part, is completely obtained from abroad. If Germany were cut off from the world for an extended period, the basis for the existence of German metal production, which employs 662,000 workers, along with the machine industry that provides a living for 1,130,000 workers of both sexes, would disappear consequent on the supply of the most valuable metals, along with the enormous outlet abroad for German iron products and machinery. And a whole series of other branches of production that depend on these raw materials and tools, such as those supplying them with raw and ancillary materials, would collapse along with the metal and machine industries, for example coal mining, as well as those that produce means of subsistence for the immense armies of workers in these branches of industry.

We should also mention the chemical industry with its 168,000 workers, which produces for the entire world. Likewise the wood industry, which employs 450,000 workers today, but which would have to close down most of its operations without foreign timber and construction wood. Also the leather industry, which in the absence of foreign hides as well as the large market it has abroad, would make its 117,000 workers redundant. We should mention the precious metals gold and silver, which provide the money material and are accordingly the indispensable foundation of all present-day economic life, but which are scarcely produced at all in Germany. Let us bear all

this in mind, and then ask, what is this German “national economy”? Assuming, in other words, that Germany were to be really and permanently cut off from the rest of the world and had to conduct its economy quite alone, what would become of present-day economic life and along with it Germany’s whole contemporary civilization? One branch of production after another would collapse, each in turn pulling the other down with it, a tremendous mass of proletarians would find themselves without employment, the whole population would be deprived of the most essential means of subsistence, consumer goods and clothing, trade would be deprived of its foundation, the precious money metal, and the entire “national economy” would become a heap of rubble, a shattered wreck! ...

This is what these “certain gaps” in German economic life actually amount to, and likewise the “ever more perfect microcosm” that self-evidently floats in the blue ether of professorial theory.

But stop! What about the world war of 1914, the great experimental test of the “national economy”? Has this not vindicated Bücher and Sombart most convincingly? Has it not shown an envious world how excellently the German “microcosm” remains capable of existence, healthy and powerful even in hermetic isolation from world trade, thanks to sturdy state organization and the performance of German technology? Hasn’t the food supply of the people been entirely met without foreign agriculture, and haven’t the wheels of industry kept moving despite foreign export outlets?

Let us examine the facts.

Food supply, first of all. This was not remotely met by German agriculture alone. Several million adult men in the army were supplied for almost the whole duration of the war by foreign countries: Belgium, northern France, and parts of Poland and Lithuania. To feed the German people, therefore, the surface of its own “national economy” was expanded by the whole area of the occupied regions of Belgium and northern France, and in the second year of the war by the western part of Russia, which had to meet a large part of the shortfall in German provisioning out of its own agricultural production. An additional counterpart to this was the lamentable deficit in the nutrition of the domestic population of those foreign territories, which in turn – Belgium is an example – were supported by charity from the products of American agriculture. A second additional factor was the rise in price of all provisions in Germany by between 100 and 200 percent, and the terrible malnutrition of the broadest strata of the domestic population.

Then there is industrial machinery. How could all this be kept going without the supply of foreign raw materials and other means of production, the tremendous scale of which we already know? How could such a miracle happen? The solution to the riddle is extremely simple and no miracle is involved. German industry could remain active simply and solely because it was indeed continuously supplied with the indispensable raw materials from abroad, which it obtained in three ways: firstly from the large stocks that Germany already possessed of cotton, wool, copper, etc., in various forms, and which only needed to be taken out of their hiding places and made available; secondly, from the stocks that it laid hands on in other countries: Belgium, northern France, parts of Poland and Lithuania, by means of military occupation; and thirdly, by the continuing supply from abroad, which by the intermediary of neutral countries (and Luxembourg) did not stop right through the whole of the war. If we add to this the fact that an indispensable precondition of this entire “war economy” and its smooth progress was also an enormous reserve of foreign precious metal deposited in German banks, it turns out that the hermetic isolation of German industry and trade from the rest of the world is just as much a legend as is the adequate

supply of the German population by domestic agriculture, and that the supposed self-sufficiency of the German "microcosm" during the World War was based on a couple of fairy-tales.

Finally, we come to the outlet for German industry, which we showed was provided to such a high degree by all other parts of the world. For the duration of the war this was replaced by the state's own military needs. In other words, the most important branches of industry: metallurgy, textiles, leather and chemicals, underwent remodeling and were transformed exclusively into industries supplying the armed forces. Since the costs of the war were borne by German tax-payers, this transformation of industry into war industry meant that the German "national economy," instead of sending a large part of its products for exchange abroad, surrendered them to continuing destruction in the war, burdening the future products of the economy for decades to come with the loss arising, by way of the public credit system.

If we take all this into account, it is clear that the miraculous success of this "microcosm" during the war represented in every respect an experiment in which the only question was how long it could be extended without the artificial construction collapsing like a house of cards.

One further glance at a remarkable phenomenon: If we consider Germany's foreign trade in its total amounts, it is striking that its imports are significantly greater than its exports: the former amounted in 1913 to 11,600 million marks, the latter to 10,900 million. And this relationship was in no way an exception for the year in question, but can be noted for an extended number of years. The same holds for Great Britain, which in 1913 showed imports to a total of 13,000 million marks and exports to 10,000 million. How is such a phenomenon possible? Perhaps Professor Bücher can explain it for us with his theory of the "surplus" over a country's own needs and of "certain gaps."

If the economic relations between the different "national economies" amount to no more than the fact that, as the professor teaches us, these "national economies," just as at the time of Nebuchadnezzar, cast off certain "surpluses," i.e. if simple commodity exchange is the only bridge over the void dividing one of these "microcosms" from another, it is clear that a country can import exactly as much in goods from abroad as it exports of its own. But in simple commodity exchange money is only an intermediary, and the foreign products are paid at the end of the day in one's own commodities. How then can a "national economy" manage the artifice of permanently importing more from abroad than it exports from its own "surplus"? Perhaps the professor will jest with us that the solution is the simplest thing in the world, the importing country only needs to settle the excess of its imports over its exports in cash. "Only," indeed! The luxury, year in year out, of filling the bottomless pit of its foreign trade with a considerable sum of money that will never be seen again is something that at most a country with rich gold and silver mines of its own could afford, which is not the case with either Germany or France, Belgium or the Netherlands. Besides, there is a further amazing surprise: not only does Germany steadily import more goods than it exports, it also imports more money! In 1913, German imports of gold and silver came to 441.3 million marks, its exports to 102.8 million, a relationship that has been approximately the same for years. What does Professor Bücher with his "surpluses" and "gaps" have to say about this puzzle? The magic lamp is flickering gloomily. Indeed, we begin to suspect that behind the puzzling character of world trade there must in fact be quite other kinds of economic relations between individual "national economies" than simple commodity exchange; to regularly obtain from other countries more than you give them is evidently only possible for a country that

has some kind of economic claim over others that is completely different from exchange between equals. And such claims and relations of dependence between countries exist in fact at every turn, although these professorial theories know nothing of them. One such dependence relationship, in the simplest form, is that between a so-called mother country and its colony. Great Britain draws from its largest colony, India, an annual tribute of more than 1,000 million marks. And we accordingly see that India's exports of goods are some 1,200 million marks greater than its imports. This "surplus" is nothing more than the economic expression of the colonial exploitation of India by British capitalism – whether these goods are directly bound for Great Britain, or whether India has to sell to other states each year goods to a value of 1,200 million marks specifically for the purpose of paying this tribute to its British exploiters. But there are also other relationships of economic dependence that are not based on political rule. Russia annually exports around 1,000 million marks' worth more of goods than it imports. Is it the great "surplus" of agricultural products over the needs of its own "national economy" that drains this immense flow of goods each year out of the Russian Empire? But the Russian peasant, whose corn is taken out of the country in this way, is well known to suffer from scurvy due to undernourishment, and often has to eat bread mixed with tree bark! The massive export of his grain, through the mechanism of a financial and taxation system designed for this purpose, is a matter of life or death for the Russian state, in order to meet its obligations to foreign creditors. Since its notorious defeat in the Crimean war, and its modernization by the reforms of Alexander II, the Russian state apparatus has been financed to a high degree by capital borrowed from Western Europe, principally from France. In order to pay interest on the French loans, Russia has to sell each year large quantities of wheat, timber, flax, hemp, cattle and poultry to Britain, Germany and the Netherlands. The immense surplus of Russian exports thus represents the tribute of a debtor to his creditors, a relationship matched on the French side by a large surplus of imports, which represents nothing other than the interest on its loan capital. But in Russia itself, the chain of economic connections runs further. The borrowed French capital has served principally in the last few decades for two purposes: railway building with state guarantees, and armaments. To this end, Russia has developed since the 1870s a strong heavy industry – under the protection of a system of high customs tariffs. The borrowed capital from the old capitalist country France has fueled a young capitalism in Russia, but this in turn requires for its support and expansion a considerable import of machinery and other means of production from Britain and Germany as the most technologically advanced industrial countries. A tie of economic connections is thus woven between Russia, France, Germany and Britain, in which commodity exchange is only a small part.

Yet this does not exhaust the manifold nature of these connections. A country like Turkey or China presents a new puzzle for our professor. It has, contrary to Russia but similarly to Germany or France, a large surplus of imports, amounting in many years to almost double the quantity of exports. How can Turkey or China afford the luxury of such a copious filling of the "gaps" in their "national economies," given that these economies are not nearly in a position to export corresponding "surpluses"? Do the Western powers offer the crescent and the realm of the pigtail each year a present of several hundred million marks, in the form of all kinds of useful goods, out of Christian charity? Every child know that both Turkey and China are actually up to their necks in the jaws of European usurers, and have to pay the British, German and French banks an enormous tribute in interest. Following the Russian example, both Turkey and China should on the contrary show a surplus of exports of their own agricultural products in order to be able to pay this interest to

their West European well wishers. But in both these two countries the so-called “national economy” is fundamentally different from the Russian. Certainly, the foreign loans are likewise used principally for railway building, port construction and armaments. But Turkey has virtually no industry of its own, and cannot conjure this out of the ground of its medieval peasant subsistence agriculture with its primitive cultivation and tithes. The same is true in a slightly different way for China. And so not only the whole of the population’s need for industrial goods, but also everything necessary for transport construction and the equipment of army and navy, has to be imported ready-made from Western Europe and constructed on site by European entrepreneurs, technicians and engineers. The loans are indeed frequently tied in advance to supplies of this kind. China, for example, obtains a loan from German and Austrian banking capital only on condition that it immediately orders a certain quantity of armaments from the Skoda works and Krupp; other loans are tied in advance to concessions for the construction of railways. In this way, most European capital migrates to Turkey and China already in the form of goods (armaments) or industrial capital in kind, in the form of machinery, iron, etc. These latter goods are not sent for exchange, but for the production of profit. Interest on this capital, along with further profit, is squeezed from the Turkish or Chinese peasants by the European capitalists with the help of a corresponding taxation system under European financial control. The bare figures of a preponderance of imports for Turkey or China, and corresponding European exports, thus conceal the particular relationship that obtains between the rich big-capitalist West and the poor and backward East that it bleeds dry with the help of the most modern and developed communications facilities and military installations – and with it the galloping ruin of the old peasant “national economy.”

A still different case is presented by the United States. Here we again see, as in Russia, an export figure well above that of imports – the former came to 10,200 million marks in 1913, the latter to 7,400 million – but the reasons for this are fundamentally different from the Russian case. Right from the beginning of the nineteenth century, the London stock exchange has absorbed vast quantities of American loans and shares; speculation in American company formation and stocks, until the 1860s, regularly announced like a fever patient’s thermometer an impending major crisis for British industry and trade. Since then, the outflow of English capital to the United States has not ceased. This capital partly took the form of loan capital to cities and private companies, but mostly that of industrial capital, whether American railway and industrial stocks were sold on the London stock exchange, or English industrial cartels founded branches in the US in order to circumvent the high tariff barrier, or else to take over companies there by purchasing their shares, in order to get rid of their competition on the world market. The United States possesses today a highly developed heavy industry that is advancing every more swiftly, and that, while it continues to attract money capital from Europe, itself exports industrial capital on an increasing scale – machinery, coal – to Canada, Mexico and other Central and South American countries. In this way the United States combines an enormous export of raw materials – cotton, copper, wheat, timber and petroleum – to the old capitalist countries with a growing industrial export to the young countries embarking on industrialization. The United States’ great surplus of exports thus reflects the particular transitional stage from a capital-receiving agricultural country to a capital-exporting industrial one, the role of an intermediate link between the old capitalist Europe and the new and backward American continent.

An overview of this great migration of capital from the old industrial countries to the young ones, and the corresponding reverse migration of the incomes drawn from this capital and paid as annual tribute by the young countries to the old, shows three

powerful streams. England, according to estimates from 1906, had already invested 54,000 million marks by this time in its colonies and elsewhere, from which it drew an annual income of 2,800 million marks. France's foreign capital at this time amounted to 32,000 million marks, with an annual income of at least 1,300 million. Germany, finally, had invested 26,000 million, which yielded 1,240 million annually. These great main streams, however, ultimately break down into smaller tributaries. Just as the United States is spreading capitalism further on the American continent, so even Russia – itself still fueled completely by French capital, and English and German industry – is already transferring loan capital and industrial products to its Asian hinterland, to China, Persia and Central Asia; it is involved in railway construction in China, etc.

We thus discover behind the dry hieroglyphs of international trade a whole network of economic entanglements, which have nothing to do with simple commodity exchange, which is all that the professorial wisdom can notice.

We discover that the distinction Herr Bücher makes between countries of industrial production and countries of raw-material production, the flimsy scaffolding on which he hangs the whole of international exchange, is itself only a crude product of professorial schematism. Perfume, cotton goods and machines are all manufactured goods. But the export of perfume from France only shows that France is the country of luxury production for the thin stratum of the rich bourgeoisie across the world; the export of cotton goods from Japan shows that Japan, competing with Western Europe, is undermining the traditional peasant and handicraft production throughout East Asia, driving it out by commodity trade; while the export of machinery from England, Germany and the United States shows that these three countries are themselves propagating heavy industry to all regions of the world.

We thus discover that one “commodity” is exported and imported today that was unknown in the time of King Nebuchadnezzar as well as in the whole of the antique and medieval periods: *capital*. And this commodity does not serve to fill “certain gaps” in other countries’ “national economies,” but quite the reverse – opening up gaps, rifts and splits in the edifice of traditional “national economies,” and acting like gunpowder to transform these “national economies” sooner or later into heaps of rubble. In this way, the “commodity” capital spreads still more remarkable “commodities” on an ever more massive scale from various old countries to the whole world: modern means of transport and the destruction of whole indigenous populations, money economy and an indebted peasantry, riches and poverty, proletariat and exploitation, insecurity of existence and crises, anarchy and revolutions. The European “national economies” extend their polyp-like tentacles to all countries and people of the earth, strangling them in a great net of capitalist exploitation.

#### 1.4

Cannot Professor Bücher believe in a world economy, despite all this? No. For the scholar explains, after he has carefully surveyed all regions of the world and discovered nothing: I cannot help myself, I see nothing in the way of “special phenomena” that “deviate in essential characteristics” from a national economy, “and it is much to be doubted whether such things will appear in the foreseeable future.”

Let us now leave trade and trade statistics completely aside, and turn directly to life, to the history of modern economic relations. Just a single small passage from the great colorful picture.

In 1768, [Richard] Arkwright built the first mechanically driven cotton spinning plant in Nottingham, and in 1785 [Edmund] Cartwright invented the mechanical

loom. The immediate result in England was the destruction of handloom weaving and the rapid spread of mechanical manufacture. At the start of the nineteenth century there were, according to one estimate, around a million handloom weavers; they were now fated to die out, and by 1860 no more than a few thousand remained in the whole kingdom, out of more than half a million factory workers in the cotton sector. In 1863, Prime Minister [William] Gladstone spoke in Parliament of the “intoxicating augmentation of wealth and power” that the English bourgeoisie had obtained, without the working class winning any share of this.

The English cotton industry draws its raw material from North America. The growth of factories in Lancashire conjured up immense cotton plantations in the southern United States. Blacks were imported from Africa for the deadly work on these plantations, as well as those of sugar, rice and tobacco. The African slave trade expanded tremendously, whole tribes were hunted down in the “dark continent,” sold off by their chiefs, transported across immense stretches over land and sea, to be auctioned in America. A literal black “*Völkerwanderung*” took place. At the end of the eighteenth century, in 1790, there were by one estimate only 697,000 blacks; by 1861 there were over four million.

The colossal extension of the slave trade and slave labor in the South of the United States triggered a crusade by the Northern states against this un-Christian atrocity. The massive import of English capital in the years 1825-60 made possible a vigorous railway construction in the Northern states, the beginnings of their own industry and with it a bourgeoisie enthusiastic for more modern forms of exploitation, for capitalist wage-slavery. The fabulous business of the Southern planters, who could drive their slaves to death within seven years, was all the more intolerable to the pious Puritans of the North because their own climate prevented them from establishing a similar paradise in their own states. At the instigation of the Northern states, slavery in every form was abolished for the whole of the Union in 1861. The Southern planters, whose deepest feelings were injured, answered this blow with open revolt. The Southern states declared their secession from the Union, and the great Civil War broke out.

The immediate effect of the war was the devastation and economic ruin of the Southern states. Production and trade collapsed, the supply of cotton was interrupted. This deprived English industry of its raw material, and in 1863 a tremendous crisis broke out in England, the so-called “cotton famine.” In Lancashire, 250,000 workers lost their jobs completely, 166,000 were only employed part-time, and just 120,000 workers were still fully employed. The population of this district was racked by poverty, and 50,000 workers asked Parliament in a petition to vote funds to enable their families to emigrate. The Australian states, which lacked the labor-power required to begin their capitalist development – after the indigenous population had been almost completely exterminated by the European settlers – declared that they were prepared to accept unemployed proletarians from England. But the English manufacturers protested vigorously against the emigration of their “living machinery,” which they would need again themselves as soon as the anticipated revival of industry took place. The workers were refused the funds for emigration, and had to bear the full weight of the crisis and its terrors.

Denied American supply, English industry sought to obtain its raw material elsewhere, and turned its attention to the East Indies. Cotton plantations were feverishly started here, and rice cultivation, which had provided the daily food of the population for millennia and formed the basis of their existence, had to give way in large areas to the profitable projects of speculators. In the wake of this suppression of rice

cultivation, the next few years saw an extraordinary price rise and a famine that carried off over a million people in Orissa alone, a district north of Bengal.

A second experiment took place in Egypt. To take advantage of the opportunity provided by the American Civil War, the Egyptian khedive, Ismail Pasha, began cotton plantations as rapidly as possible. A real revolution took place in the country's property relations and rural economy. Large areas of peasant land were stolen, being declared royal property and transformed into very large-scale plantations. Thousands of workers were driven to forced labor on the plantations at the end of the whip, to build dams and canals for the khedive, or to pull ploughs. But borrowing the money needed to obtain the most modern steam-ploughs and hulling machines led to the khedive sinking ever deeper in debt to English and French bankers. This large-scale speculation ended with bankruptcy after only a year, when the end of the American Civil War brought the price of cotton down by three-quarters in the space of a few days. The result of this cotton period for Egypt was the rapid ruin of its peasant agriculture, the rapid collapse of its finances, and finally the swift occupation of the country by the English army.

Meanwhile the cotton industry made new conquests. The Crimean War of 1855 [interrupted] the supply of hemp and flax from Russia, leading to a major crisis of linen production in Western Europe. The collapse of the old system in Russia, with the Crimean War, was followed right away by a political transformation, the abolition of serfdom, liberal reforms, free trade and the rapid building of railways. A new and stronger market for industrial products was thus opened up within this great empire, and the English cotton industry was the first to penetrate the Russian market. At the same time, in the 1860s, a series of bloody wars opened up China to English trade. England dominated the world market, and the cotton industry made up half its exports. The period of the 1860s and 70s was the time of most brilliant business deals for the English capitalists, as well as the time when they were most inclined to guarantee their "hands" and secure "industrial peace" by small concessions to the workers. It was in this period that the English trade unions, with the cotton spinners and weavers in the lead, achieved their most striking successes, as well as the time when the revolutionary traditions of the Chartist movement and the Owenite ideas finally died out among the English proletariat, ossifying into conservative trade unionism.

But the page soon turned. Everywhere on the continent that England exported its cotton products there gradually developed a local cotton industry. Already in 1844, the hunger revolts of the handloom weavers in Silesia and Bohemia had been the first heralds of the March revolution [of 1848]. In the English colonies, too, an indigenous industry arose. The cotton factories of Bombay soon competed with the English, and in the 1880s helped to break England's monopoly on the world market.

In Russia, finally, the rise of cotton manufacture in the 1870s inaugurated the age of large-scale industry and protective tariffs. In order to circumvent the high tariff barrier, whole factories along with their staff were taken from Saxony and the Vogtland to Russian Poland, where the new manufacturing centers of Lodz and Zgierz grew into big cities at a Californian pace. In the early 1880s, unrest in the Moscow-Vladimir cotton district forced the first labor protection laws in the tsarist empire. In 1896, 60,000 workers from the St Petersburg cotton plants carried out the first mass strike in Russia. And nine years later, in June 1905, 100,000 workers in Lodz, the third center of the cotton industry, with German workers among their leaders, erected the first barricades of the great Russian revolution ...

Here we have, in a few lines, 140 years in the history of a modern branch of industry, a history that winds its way through all five continents, hurls millions of human lives hither and thither, erupting in one place as economic crisis, in another as famine, flaming up here as war, there as revolution, leaving in its wake on all sides mountains of gold and abysses of poverty – a wide and blood-stained stream of sweat from human labor.

These are convulsions of life, actions at a distance, that reach right into the inwards of nations, while the dry figures of international trade statistics give only a pale reflection of them. In the century and a half since modern industry was first established in England, the capitalist world economy has taken shape at the price of the pains and convulsions of the whole of humanity. It has seized one branch of production after another, taken hold of one country after another. With steam and electricity, fire and sword, it has obtained entry into the most remote corners of the earth, has torn down all Chinese walls, and through an era of world crises, periodic common catastrophes, it has initiated the economic interconnection of present-day humanity. The Italian proletarian, expelled from his misery at home by Italian capital, who migrates to Argentina or Canada, finds there a ready-made new yoke of capital imported from the United States or England. And the German proletarian who remains at home and tries to make an honest living, is dependent for his weal and woe at every turn on the course of production and trade throughout the world. Whether he finds work or not, whether his wage is sufficient to feed his wife and children, whether he is condemned to spend several days of the week in enforced idleness, or to work day and night in infernal overtime – all this constantly varies depending on the cotton harvest in the United States, the wheat harvest in Russia, the discoveries of new gold or diamond mines in Africa, the outbreak of revolution in Brazil, tariff battles, diplomatic turmoil and war across five continents. Nothing is so striking today, nothing has such decisive importance for the whole shape of today's social and political life, as the yawning contradiction between an economic foundation that grows tighter and firmer every day, binding all nations and countries into a great whole, and the political superstructure of states, which seeks to split nations artificially, by way of border posts, tariff barriers and militarism, into so many foreign and hostile divisions.

But none of this exists for Bücher, Sombart and their colleagues! For them, all that exists is the “ever more complete microcosm”! They see far and wide no “special phenomena” that would “depart in essential characteristics” from a national economy. Is this not puzzling? Would a similar blindness on the part of the official representatives of science be conceivable for phenomena that leap to the eye of any observer in their plenitude and their dazzling, lightning-like intensity, in any area of science other than that of political economy? Certainly in natural science, a professional scholar who tried to express the view publicly that the earth did not revolve round the sun, but the sun and all other stars revolved round the earth as their center, who maintained that he “did not know any phenomena” that would contradict this view “in essential characteristics” – such a scholar could be sure of being met by the Homeric laughter of the entire educated world, and would end up having his mental health examined at the instigation of troubled relatives. Of course, 400 years ago not only did the spread of such views go unpunished, but anyone who undertook to refute them publicly would himself run the risk of ending on the scaffold. In those days, preservation of the mistaken view that the earth was the center of the universe and the heavenly bodies was a pressing interest of the Catholic church, and any attack on the imagined majesty of the earth in the universe was at the same time an assault on the spiritual rule of the church and its tithes on the earth. In those days, accordingly,

natural science was the ticklish nerve center of the prevailing social system, and mystification in this realm was an indispensable instrument of subjugation. Today, under the rule of capital, the ticklish point of the social system is no longer faith in the mission of the earth in the blue heaven, but rather faith in the mission of the bourgeois state on earth. And because thick fog is already rising and gathering over the powerful waves of the world economy, because storms are in preparation here that will brush away the “microcosm” of the bourgeois state like a henhouse in an earthquake, the scientific “Swiss guards” of the rule of capital stand before the gate of their stronghold, the “national state,” ready to defend it to the last gasp. The first word of present-day political economy, its basic concept, is a scientific mystification in the interest of the bourgeoisie.

## 1.5

Political economy is frequently defined for us in the simple formula that it is “the science of people’s economic relations.” Those who offer this kind of formulation believe they have navigated the reefs of the “national economy” and the world economy by universalizing the problem into something indefinite and speaking of “people’s” economic relations in general. Tossing the problem up into thin air, however, does not make it any more clear, but may well just confuse it even more, as the question then arises as to why and wherefore this special science of “people’s” economic relations – i.e. of *all* people at all times and in all circumstances – should be necessary.

Let us take any example we like of people’s economic relations, as simple and transparent as possible. Let us place ourselves in the time when the present world economy did not yet exist, when commodity trade flourished only in the towns while in the countryside a natural economy still prevailed, i.e. production for one’s own need, with the large landed proprietors as well as on the small peasant holdings. Let us take, for example, the relations described by Dugald Stewart in the Scottish highlands in the 1850s:

In some parts of the Highlands of Scotland ... every peasant, according to the Statistical Account, made his own shoes of leather tanned by himself. Many a shepherd and cottar too, with his wife and children, appeared at Church in clothes which had been touched by no hands but their own, since they were shorn from the sheep and sown in the flax-field. In the preparation of these, it is added, scarcely a single article had been purchased, except the awl, needle, thimble, and a very few parts of the ironwork employed in the weaving. The dyes, too, were chiefly extracted by the women from trees, shrubs, and herbs.

Alternatively, we can take an example from Russia, where only a relatively short time ago, in the late 1860s, the peasant economy could be commonly described as follows:

The land that he [the farmer of the Viasma district in the province of Smolensk – R.L.] cultivates provides him with food and clothing, almost everything that is necessary for his existence: bread, potatoes, milk, meat, linen, cloth, sheep pelts and wool for warm clothing ... All that he buys with money are boots and a few personal items such as belt, cap and gloves, as well as some necessary household equipment: iron and wooden dishes, poker, kettle and the like.

Today there are still peasant economies of this kind in Bosnia and Herzegovina, in Serbia and Dalmatia. If we were to put to one of these self-sufficient peasants in the Scottish Highlands or Russia, Bosnia or Serbia the usual professorial questions of political economy about “economic purpose,” “creation and distribution of wealth” and the like, he would stare at us in amazement. As to the reason why he and his family

work, or to put it in scholarly terms, the “motivating force” that drives their “economic activity,” he would exclaim: Well, we have to live, and food doesn’t just drop from the sky. If we didn’t work, we’d die of starvation. So we work to get by, to eat our fill, to put clothes on our back and have a roof over our head. As to *what* we produce, “what orientation” we give our labor, that’s another foolish question! We produce what we need, what any peasant family needs to live. We grow wheat and rye, oats and barley, we plant potatoes, we keep a few cows and sheep, chickens and ducks. In winter we do the spinning, which is women’s work, while men are busy with axes, saws and hammers making whatever the house needs. You can call this a “rural economy” or a “business,” whatever you like, but at all events we have to do a bit of everything, as all kinds of things are needed in the home and the fields. How do we “divide” these tasks? Another strange question! The men naturally do what needs male strength, the women take care of the house, the cows and the henhouse, the children help with this and that. Or are you saying that I should send my wife to chop wood while I milk the cows myself? (The good man is unaware – we can add here – that there are many primitive peoples, for example the Brazilian Amerindians, where it is precisely the woman who gathers wood in the forest, digs up roots and goes to pick fruit, while among the herding peoples of Africa and Asia men not only look after the cattle but also milk them. In Dalmatia today, you can still see a woman carrying a heavy load on her back with a strong man complacently riding his donkey alongside, puffing away at his pipe. This “division of labor” seems just as natural to them as it appears obvious to our own peasants that the man should chop wood and his wife milk the cows.) And besides, this question about my “wealth”! That again, every child in the village understands. A wealthy peasant is one who has a full barn, a well-stocked stable, a respectable flock of sheep and a large henhouse; a peasant is poor if he runs short of flour already by Easter, and water drips through his roof when it rains. What does an “increase in wealth” depend on? No question about it. If I had a larger plot of land, I would naturally be richer, and if in summer, Heaven forbid, we had a heavy hailstorm, everyone in the village would be impoverished in the space of twenty-four hours.

Here we have let the peasant patiently answer the learned questions of political economy, but we are certain that, before the professor who arrived with his notebook and fountain pen to make a scientific study of such a peasant household in the Scottish Highlands or Bosnia had asked even half of his questions, he would already have been shown out of the door. In fact, all relationships in this kind of peasant economy are so simple and self-evident that their dissection with the scalpel of political economy seems an idle game.

The objection can of course be made that we perhaps chose an unfortunate example, by focusing on a tiny self-sufficient peasant household whose extreme simplicity is determined by its scanty resources and dimensions. So let us take another example. Leaving the small peasant household to continue its modest existence in a remote corner of the world, we turn our attention to the highest summit of a powerful empire, the household of Charlemagne. This sovereign, who made the Germanic Empire the most powerful in Europe at the start of the ninth century, undertaking no fewer than fifty-three crusades for the expansion and strengthening of his realm, and uniting under his scepter not just present-day Germany but also France, Italy, Switzerland, the northern part of Spain, Holland and Belgium, was also very concerned with economic conditions on his lands and estates. He drafted personally a special legislative decree on the economic principles of his estates, consisting of seventy paragraphs, the celebrated “*Capitulare de villis*,” i.e. law about landed estates, a priceless gem of historical survival which has happily come down to us through the

dust and mildew of the archives. This claims very special attention for two reasons. Firstly, most of Charlemagne's estates subsequently developed into powerful imperial cities: Aachen, Cologne, Munich, Basel and Strasbourg, for example, along with several other towns, were at this time agricultural estates of the emperor. Secondly, Charlemagne's economic institutions became a model for all major spiritual and temporal landed estates of the early Middle Ages; these adopted the survivals of ancient Rome and the refined way of life of its noble villas, transplanting them into the coarser milieu of the young Germanic warrior nobility, and his prescriptions for the cultivation of vineyards and gardens, fruit and vegetables, fowl, etc. were an act in the history of civilization.

Let us take a closer look at this decree. The great emperor demanded here, above all else, to be served honestly and have his properties looked after so that his subjects living on them were protected against poverty; they should not be overburdened with labor; if they worked at night, they were to be compensated for this. But the subjects for their part were to take diligent care of the vineyards and put the pressed wine into bottles to avoid damage. If they evaded their duties they were chastised "on the back or elsewhere." The emperor also lay down that bees and geese were to be kept on his domains; the birds were to be kept well and increased. The stocks of cows and brood mares were also to be expanded, and the greatest care taken of sheep.

We desire, the emperor continued, that our woods are managed properly, that they are not uprooted and that sparrowhawks and falcons are kept there. Fat geese and chickens should be always available for us; eggs that are not consumed in the household should be sold on the market. Each of our estates should keep a store of good featherbeds, mattresses, covers, tableware of copper, lead, iron and wood, chains, kettle-hooks, axes and drills, so that nothing needs to be borrowed from other people. The emperor further prescribed that an exact account be kept of the harvests from his estates, and he lists: vegetables, butter, cheese, honey, oil, vinegar, turnips "and other trifles," as it says in the text of the famous decree. He continues that on each of his estates there should be various artisans, a sufficient number fluent in every craft, and he again lists the precise kinds in detail. He also made Christmas Day the date on which he required accounts of his wealth, and the smallest peasant did not count each head of stock and each egg on his holding more carefully than the great Charlemagne. Paragraph 62 of the decree states: "It is important that we know what and how much we have of all these things." And he again lists: oxen, mills, wood, ships, wine stocks, vegetables, wool, linen, flax, fruit, bees, fish, hides, wax and honey, old and new wine, and whatever else was supplied to him. He adds, as generous consolation for the dear subjects who were to supply all this: "We hope that all this does not appear too hard to you, for you can demand the same for your part, since everyone is lord of his property." Further, we find exact prescriptions as to the way in which wines should be packed and transported, these apparently being a particular concern in the great emperor's governance: "Wine should be carried in barrels with firm iron hoops and never in skins. As for flour, this is to be carried in doubled crates and covered with leather, so that it can be brought across rivers without damage being done. I also want exact account to be made of the horns of my goats, male and female, as well of the skins of the wolves that are shot each year. In the month of May, merciless war against the young wolf cubs should not be neglected." Finally, in the last paragraph, Charlemagne lists all the flowers, trees and plants that he wants to have tended in his garden: roses, lilies, rosemary, gherkins, onions, radishes, caraway, etc. The famous decree more or less comes to an end with a list of varieties of apple.

This is a picture of the imperial economy in the ninth century, and although we have here one of the most powerful and richest princes of the Middle Ages, anyone must admit that his economy, along with the principles on which it was managed, are surprisingly reminiscent of the dwarf-size peasant holding that we considered above. Here too, the imperial landlord, if we were to put to him the familiar basic questions of political economy about the nature of wealth, the purpose of production, the division of labor, etc., etc., would refer with a royal wave of the hand to the mountains of grain, wool and flax, the barrels of wine, oil and vinegar, the stables full of cows, oxen and sheep. And we would be equally at a loss to know what “laws” of political-economic science were to be investigated and deciphered in this economy, since all the connections, cause and effect, labor and its result, are as clear as day.

The reader might draw our attention here, once again, to the fact that we have taken a misleading example. It is clear after all from Charlemagne’s decree that this was not dealing with the public economic relationships of the Germanic Empire, but rather with the private economy on the emperor’s estates. But it would certainly be a historical error for anyone to try to oppose these two concepts in the context of the Middle Ages. The capitulary does indeed refer to the economy on the estates and properties of Charlemagne, but he managed this economy as ruler, not as a private person. Or more accurately: the emperor was a lord on his domains, but likewise any noble lord in the Middle Ages, i.e. in the time *after* Charlemagne, was more or less such an emperor on a small scale, i.e. he was by virtue of his free noble domain a legislator, tax collector and judge for the population on his estates. The very form of Charlemagne’s economic dispositions, as we have mentioned them, shows that these were indeed acts of government: they make up one of his sixty-five laws or capitularies which, drafted by the emperor, were made known at the annual imperial assemblies of his magnates. And the regulations about radishes and iron-clad wine barrels derive from the same fullness of power and are drafted in the same style as, for example, the admonitions to the bishops in his “*Capitula episcoporum*,” in which Charles gives the bishops a box on the ears and warns them energetically not to curse, not to get drunk, not to visit places of ill-fame, not to keep women or charge too high a price for the holy sacraments. We may go where we please in the Middle Ages, but nowhere in the countryside do we find an economic enterprise for which Charlemagne’s does not offer a model and a type, whether it is the estates of noble lords or the simple peasant holding, whether we have an individual peasant family operating for itself or a communally operating mark community.

What is most striking in both examples is that here the needs of human life directly govern and determine labor, and the result thus corresponds so exactly to intention and need that the relationships maintain, whether on a greater or smaller scale, this surprising simplicity and transparency. Both the small peasant on his holding and the great monarch in his court know quite exactly what they want to achieve by their production. And no magic is required to know this: both want to satisfy the natural human needs for eating and drinking, clothing and the conveniences of life. The only difference is that the peasant sleeps on a straw sack and the great lord on a soft featherbed, one drinks beer and mead, or just plain water, while the other has fine wine on his table. But the basis of the economy and its task of directly satisfying human needs remains the same. The result corresponds in the same self-evident way to the labor that proceeds from this natural task. Here too, again, there are differences in the labor process: the peasant works along with his family members, and the fruits of his labor correspond to the extent of his holding and his share in the common land; more precisely – since we are speaking here of medieval serf labor – he what is left over after providing dues and labor services for the lords and the

church. The emperor or any other noble lord does not work himself, but has his subjects and subordinates work for him. But whether a peasant and his family work for themselves, or all together under the management of a village headman, or under the lord's bailiff, the result of this labor is still nothing other than a particular sum of means of subsistence in the wider sense, i.e. precisely what is required, and more or less in the amount required. No matter which way you look at an economy of this kind, there is no puzzle to be found in it that could only be solved by profound investigation and a special science. The slowest-witted peasant in the Middle Ages knew precisely what his "wealth" – or rather, his poverty – depended on, leaving aside the natural phenomena that visited both lord's and peasant's lands from time to time. He knew quite precisely that his distress as a peasant had a very simple and direct cause: first of all the boundless extraction of labor services and dues on the part of the lords, and secondly the theft by these same lords of common lands – woods, meadows and waters. And what the peasant knew he cried aloud to the world in the peasant wars, and showed by setting fire to the houses of his bloodsuckers. What remains for scientific investigation here is only the historical origin and development of those relationships, the question as to how it could happen that throughout Europe the formerly free peasant landholdings were transformed into noble estates extracting dues and tolls, the formerly free peasantry into a mass of subjects liable to serf labor and later also to monetary dues.

The situation looks completely different as soon as we turn to any phenomenon of *present-day* economic life. Let us take for example one of the most remarkable and outstanding phenomena: the *trade crisis*. We have all experienced already several major crises of trade and industry, and are familiar from our own observation with the process classically described by Frederick Engels in the following terms:

Commerce is at a standstill, the markets are glutted, products accumulate, as multitudinous as they are unsalable, hard cash disappears, credit vanishes, factories are closed, the mass of the workers are in want of the means of subsistence; bankruptcy follows upon bankruptcy, execution upon execution. The stagnation lasts for years; productive force and products are wasted and destroyed wholesale, until the accumulated mass of commodities finally filter off, more or less depreciated in value, until production and exchange gradually begin to move again. Little by little the pace quickens. It becomes a trot. The industrial trot breaks into a canter, the canter in return grows into the headlong gallop of a perfect steeplechase of industry, commercial credit, and speculation, which finally, after breakneck leaps, ends where it began – in the ditch of a crisis.

We all know that a commercial crisis of this kind is the terror of every modern country, and the way in which such a crisis is heralded is already very instructive. After a spell of some years of prosperity and good business, a vague rumor begins in the press here and there, with reports of some disturbing news about bankruptcies on the stock exchanges; then the spots in the press become larger, the stock exchange ever more turbulent, the central bank raises the discount rate, making the supply of credit more difficult and limited, until news about bankruptcies and unsalable stocks falls like a cloudburst. The crisis is then in full swing, and the struggle now is about who bears responsibility. The business people blame the brusque refusal of credit by the banks, the banks blame the speculative craze of the stockbrokers, they in turn blame the industrialists, the industrialists blame the lack of money in the country, and so on. And when business finally begins to get under way again, it is once more the stock exchange and the newspapers that note the first signs of improvement, until hope, calm and security again appear for a while. What is remarkable about all this, however, is the fact that the crisis is seen and treated by all those involved, by the

whole society, as something that stands outside the realm of human will and human calculation, like a blow of fate inflicted on us by an invisible power, a test from heaven of the same order as a severe storm, an earthquake or a flood. Even the language in which the newspapers like to report a crisis is fond of such expressions as "gloomy clouds are gathering over the formerly bright skies of the business world," or, if a sharp increase in the discount rate is announced, they inevitably use the headline "Storm Signal," just as we later read about the thunder passing and the horizon brightening. This way of writing expresses rather more than mere fatuousness on the part of the ink coolies of the business world, it is precisely typical of the strange effect of the crisis, its apparently law-like character. Modern society notes its approach with terror, it bends its neck and trembles at the hail-like blows, it awaits the end of the test and then raises its head again, at first timid and unbelieving, then finally relieved.

This is precisely the way that, in the Middle Ages, people awaited the outbreak of a great famine or plague, the way that country folk today suffer a heavy thunderstorm and hail: the same helplessness and impotence in the face of a severe trial. And yet famine and plague, even if ultimately social phenomena, are initially and immediately the results of natural phenomena: a harvest failure, the spread of disease-inducing germs and the like. Thunder is a basic event of physical nature, and no one, at least at the present stage of science and technology, is able to bring about a thunderstorm or to avert one. But what is this modern crisis? It consists, as we know, in too many commodities being produced without finding an outlet, with the result that trade and industry come to a halt. The production and sale of commodities, trade and industry – all these are purely human relations. It is people themselves who produce commodities, and people themselves who buy them; trade is conducted between one person and another, and in the circumstance that make up the modern crisis we do not find a single element that lies outside of human action. It is therefore nothing other than human society itself that periodically provokes the crisis. And yet we also know that the crisis is a real trial for modern society, that it is expected with dread and suffered with desperation, that it is not wanted or wished for by anyone. Apart from a few stock-exchange sharks who try to enrich themselves quickly during a crisis at the expense of others, but frequently fail in the process, the crisis is for everyone at the very least a danger or a disturbance. No one wants the crisis, and yet it comes. People create it with their own hands, yet they do not intend it for anything in the world. The medieval peasant on his little plot produced partly what his lord required, partly what he himself needed: grain and meat, provisions for himself and his family. The great medieval lord had others produce for him what he wanted and needed: grain and meat, fine wines and fine clothes, means of subsistence and luxury goods for himself and his household. Present-day society however produces what it neither wants nor can use: crises. It periodically produces means of subsistence that it cannot consume; it suffers periodic hunger alongside tremendous stocks of unsold products. Need and satisfaction, the purpose and the result of labor, no longer match; between them stands something unclear and puzzling.

Let us take another example, all too well known to workers of all countries: *unemployment*. Unemployment is no longer, like crises, a cataclysm that visits society from time to time. It has become today, to a greater or lesser degree, a constant and everyday accompaniment to economic life. The most well-organized and well-paid categories of workers, who keep lists of their unemployed, show an uninterrupted series of figures for each year, even each month and week; these figures fluctuate substantially, but they never completely peter out. How powerless present-day society is in the face of unemployment, this dreadful scourge of the working class, is shown

each time that the scale of this evil becomes so great that it forces legislative bodies to concern themselves with it. The regular course of such discussions, after a lengthy to-ing and fro-ing, culminates in the decision to conduct an inquiry, an investigation, into the present number of unemployed. The main thing here is to measure the present state of the evil, as the level of water is measured with a depth gauge in times of flood, and in the best case weak palliative measures are taken in the form of support for the unemployed – generally at the cost of those in work – with a view to dampening the effects of the evil, without the slightest attempt being made to do away with the evil itself.

In the early years of the nineteenth century, Reverend [Thomas] Malthus, the great prophet of the English bourgeoisie, proclaimed with the heart-chilling brutality that was characteristic of him:

A man born into a world already occupied, whose family has no means of supporting him or of whose labor society has no need, has not any right to demand any portion whatever of food. He is really one too many on the land. No cover is laid for him at the great banquet of Nature. Nature tells him to go away, and does not delay herself to put the order into execution.

Official society today, with its characteristic “social-reforming” hypocrisy, scorns such crass expressions. In practice, however, it finally tells the unemployed proletarian, “whose labor it does not need,” to “go away” in one way or another, quickly or slowly, to leave this world – the increasing figures of disease, infant mortality and crimes against property during every great crisis speak for themselves.

The comparison we have made between unemployment and flood even shows the striking fact that we are less *impotent* in the face of elemental events of a physical kind than we are towards our own, purely social, purely human affairs! The periodic spring floods that do such damage in the east of Germany are ultimately only the result of the current neglected state of water management. The present level of technology already affords sufficient means for protecting agriculture from the power of water, even for making good use of this power; it is just that these methods can only be applied at the highest level of a large-scale, interconnected, rational water management, which would have to refigure the whole area affected, appropriately disposing arable zones and meadows, building dams and sluices, and regulating rivers. A great reform of this kind can certainly not be undertaken, partly because neither private capitalists nor the state are willing to provide the resources for such a project, partly because on the large scale that would be needed, the barriers of a whole range of private landowning rights would be infringed. But society today does have the resources for tackling the water danger and harnessing the raging element, even if it is not in a position to use them at this time. On the other hand, this society has not discovered a method for combating unemployment. And yet this not an element, a natural phenomenon of physics, but a purely human product of economic relations. And once again here we come up against an economic puzzle, a phenomenon that no one intended, no one consciously strove for, but which all the same appears with the regularity of a natural phenomenon, over people’s heads as it were.

But we need in no way take the case of these striking phenomena of present-day life, crises or unemployment, calamities and cases of an extraordinary nature, which in popular imagination form an exception to the usual course of things. Let us take one of the most familiar examples from everyday life, repeated a thousand times in all countries: *the fluctuating prices of commodities*. Every child knows that the prices of goods are in no case fixed and unchangeable, but on the contrary, go up and down almost daily – sometimes, indeed, every hour. If we pick up a newspaper, and turn to

the report on the commodities market, we can read the price movements of the previous day: wheat rather weak in the morning, somewhat livelier in the afternoon, rising towards the close of business, or else falling. The same goes for copper and iron, sugar and vegetable oil. And likewise with shares in different industrial firms, government and private bonds, on the stock market. Price fluctuations are a constant, daily, quite “normal” phenomenon of contemporary economic life. These price movements, moreover, cause a daily and hourly change in the wealth of those who possess all these products and papers. If the cotton price rises, then the wealth of all dealers and manufacturers who have stocks of cotton in their warehouses also rises temporarily; if prices fall, their wealth dwindles similarly. If copper prices rise, then the owners of shares in the copper mines grow richer, and if these fall, they grow poorer. In this way, people can become millionaires or beggars in a few hours as a result of simple fluctuations in price, as reported in a stock-market telegram, and this is the essential basis of the whole giddiness of stock-market speculation. The medieval lord could grow richer or poorer as a result of a good or a bad harvest, or enrich himself as a robber baron making a good catch by waylaying a passing merchant, or – and this was the most well-tested and favored method – increase his wealth by pressing more out of his peasant serfs than he managed previously, by increasing the services and dues he demanded. Today, a man can suddenly become rich or poor without doing the slightest thing himself, without lifting a finger, without any kind of natural event, even without anyone having given him something or violently robbing him. Price fluctuations are likewise a secretive movement, guided behind people’s backs by an invisible power, and causing a continuous shift and fluctuation in the distribution of social wealth. The movement is noted in the same way as temperature is indicated on a thermometer, air pressure on a barometer. And yet commodity prices and their movements are obviously a purely human affair, with no magic involved. It is no one but people themselves who produce commodities with their own hands and determine their prices, simply that here again their action gives rise to something that no one intended or had in mind; here again, the need, end and result of people’s economic action come into blatant imbalance.

What is the reason for this, and what are the obscure laws that make people’s own economic life today bring about such strange events behind their backs? This can only be revealed by scientific investigation. It has become necessary to solve all these puzzles by way of strenuous investigation, deep reflection, analysis and comparison, in other words to make explicit the hidden connections that bring it about that the results of people’s economic action no longer coincide with their intentions and their will – in sum, their consciousness. The lack of consciousness within the social economy thus becomes a task for scientific research; and here we have arrived directly at the root of political economy.

In recounting his journey around the world, Darwin says of the inhabitants of Tierra del Fuego:

They often suffer from famine: I heard Mr. Low, a sealing-master intimately acquainted with the natives of this country, give a curious account of the state of a party of one hundred and fifty natives on the west coast, who were very thin and in great distress. A succession of gales prevented the women from getting shell-fish on the rocks, and they could not go out in their canoes to catch seal. A small party of these men one morning set out, and the other Indians explained to him, that they were going a four days’ journey for food: on their return, Low went to meet them, and he found them excessively tired, each man carrying a great square piece of putrid whale’s-blubber with a hole in the middle, through which they put their heads, like the Gauchos do through their ponchos or cloaks. As

soon as the blubber was brought into a wigwam, an old man cut off thin slices, and muttering over them, broiled them for a minute, and distributed them to the famished party, who during this time preserved a profound silence.

So much for the life of one of the most backward peoples on earth. The limits within which their will and deliberate ordering of their economy can operate are here still extremely narrow. People here are still completely tied to the apron strings of external nature, and depend on its favor and disfavor. But within these narrow limits, the organization of the whole small society of some hundred and fifty individuals prevails. Concern for the future is only expressed in the wretched form of a stock of putrid whale's blubber. But this putrid stock is divided between everyone with due ceremony, and everyone similarly participates in the work of seeking food, under planned leadership.

Let us turn to a Greek *oikos*, the household economy of antiquity with slaves, which by and large also formed a "microcosm," a little world unto itself. Here extreme social inequality already prevails. Primitive need has been transformed into a comfortable surplus of the fruits of human labor. Physical labor has become the curse of some, idleness the privilege of others, with those who work even becoming the property of the non-workers. Yet here again, this relationship of domination involves the strictest planning and organization of the economy, the labor process and distribution. The determining will of the master is its foundation, the whip of the slave overseer its sanction.

On the feudal manor of the Middle Ages, the despotic organization of labor receives early on the visage of a detailed code elaborated in advance, in which the plan and division of labor, the duties of each as well as their claims, are clearly and firmly defined. On the threshold of this period of history stands that fine document that we have already cited: Charlemagne's "*Capitulare de villis*," which still revels joyously and brightly in the wealth of physical enjoyments to which the economy is completely directed. At its end we have the baneful code of services and dues which, dictated by the unrestrained financial greed of the feudal lords, led to the German peasant war of the sixteenth century, and made the French peasant still 200 years later into that miserable and semi-bestialized creature who was only shaken to struggle for his human and civil rights by the shrill alarm clock of the great Revolution. But, until the broom of revolution swept away the feudal manor, this peasant was still in the misery of the relationship of direct mastery that firmly and clearly defined the relations of the feudal economy as an unavoidable fate.

Today we have neither masters nor slaves, neither feudal barons nor serfs. Freedom and equality before the law have in formal terms done away with all despotic relationships, at least in the old bourgeois states; in the colonies, as is well known, these same states have frequently themselves introduced slavery and serfdom. Everywhere that the bourgeoisie is at home, *free competition* rules economic relations as their one and only law. This means the disappearance from the economy of any kind of plan or organization. Of course, if we look at an individual private firm, a modern factory or a large complex of factories and plants such as Krupp's, alternatively a great agricultural enterprise such as those of North America, we find here the strictest organization, the most far-reaching division of labor, the most refined planning based on scientific knowledge. Here everything works beautifully, directed by a *single* will and consciousness. But we scarcely leave the factory or farm gate than we are met already with chaos. Whereas the countless individual components – and a private firm today, even the most gigantic, is only a fragment of the great economic network that extends across the whole earth – whereas the fragments are most

strictly organized, the whole of the so-called “national economy,” i.e. the capitalist world economy, is completely unorganized. In the whole, which stretches across oceans and continents, no plan, no consciousness, no regulation prevails; only the blind reign of unknown, uncontrolled forces plays its capricious game with people’s economic fate. There is indeed, still today, an over-powerful lord that governs working humanity: *capital*. But its form of government is not despotism but *anarchy*.

And it creates this anarchy by having the social economy bring about results that are unexpected and puzzling even to the people involved; it turns the social economy into a phenomenon that is foreign to us and alienated, whose laws we have to discover in the same way as we investigate the phenomena of external nature, which govern the life of the vegetable and animal realms, changes in the earth’s crust and the movements of heavenly bodies. Scientific knowledge must subsequently discover the meaning and rule of the social economy, which no conscious plan has dictated in advance.

It is now clear why bourgeois political economists find it impossible to clearly pinpoint the nature of their science, to put their finger into the wound of their social order, to denounce it in its inherent criminality. To discover and confess that anarchy is the life element of the rule of capital means in the same breath to pronounce a death sentence, it means saying that its existence is only granted a temporary reprieve. It is clear now why the official scientific advocates of the rule of capital seek to conceal the matter with every kind of word-spinning, to direct attention away from the core to the outer shell, from the global economy to the “national economy.” At the very first step across the threshold of political-economic knowledge, with the first fundamental question as to what political economy actually is and what is its basic problem, the paths of bourgeois and proletarian knowledge already diverge. With this first question, however abstract and immaterial for present social struggles it may appear at first sight, a special tie is already drawn between political economy as a science and the modern proletariat as a revolutionary class.

## 1.6

Once we adopt the perspective we have now reached, many things that first appeared uncertain now become clear.

To start with, the question of how old political economy is. A science whose task is to disclose the laws of the anarchic capitalist mode of production could naturally not arise earlier than this mode of production itself, not before the historical conditions for the class rule of the modern bourgeoisie had gradually been assembled by political and economic changes over the centuries.

According to Professor Bücher, of course, the origin of the present-day social order was something extremely simple, having little to do with preceding economic development. It was in fact the result of the superior will and elevated wisdom of absolutist princes.

“The construction of the *national economy*,” Bücher explains – and we already know that for a bourgeois professor the concept “national economy” is only a mystifying description of capitalist production –

is essentially a result of the political centralization that began with the rise of the territorial state model towards the end of the Middle Ages, and is reaching its culmination today with the creation of the unitary national state. The concentration of economic powers goes hand in hand with the bending of political special interests to the higher purposes of the whole. In Germany, it was the

larger territorial princes who sought to bring the modern state idea to expression, in struggle with the landed aristocracy and the cities.

But princely power also wrought the same great deeds in the rest of Europe – in Spain, Portugal, England, France, and the Netherlands.

In all these countries, if to a varying degree, the struggle with the separate powers of the Middle Ages took place: the great nobles, the cities, provinces, spiritual and temporal corporations. Initially, it was a question of abolishing the independent circles that stood as an obstacle in the way of political concentration. But at the underlying foundation of the movement that led to the development of princely absolutism, there still slumbered the world-historical idea that the new and greater tasks of human civilization required a united organization of whole peoples, a great living community of interest, and this could only arise on the basis of a common economy.

We have here the finest flowering of that serviceability in matters of thought that we have already noted among German professors of political economy. According to Professor Schmoller, the science of political economy arose at the command of enlightened absolutism. According to Professor Bücher, the whole capitalist mode of production is simply the fruit of sovereign will and the heaven-storming plans of absolutist princes. It would of course be very unfair to the great Spanish and French despots, not to mention their petty German counterparts, to raise the suspicion that in their boisterous games with the arrogant feudal lords at the end of the Middle Ages, or their bloody crusades against the cities of the Netherlands, they troubled themselves with any kind of “world-historical ideas” or “tasks of human civilization.” This would mean turning historical events upside down.

Certainly, the establishment of large centralized bureaucratic states was an indispensable precondition for the capitalist mode of production, yet it was just as much itself only a *consequence* of the new economic requirements, so that it would be far more justifiable to turn Bücher’s proposition around and declare that the construction of political centralization was “essentially” a fruit of the maturing “national economy,” i.e. of capitalist production.

But if absolutism had an incontestable share in this process of historical preparation, it played this part with the same stupid lack of thought of a blind instrument of historical developmental tendencies, and could likewise contradict these same tendencies whenever the occasion arose. Thus the medieval despots by the grace of God considered the cities allied with them against the feudal lords simply as objects for blackmail, which they betrayed again to the feudal lords at the first opportunity. Thus they viewed the newly discovered regions of the world, with all their population and culture, immediately and exclusively as a suitable field for the most brutal, pernicious and crude plunder, to fill the “princely treasuries” with gold nuggets as quickly as possible, for a “higher cultural purpose.” In the same way, later, we had the stubborn resistance to interposing between the “grace of God” rulers and their “loyal peoples” that sheet of paper, called a bourgeois parliamentary constitution, which is just as indispensable for the unhindered development of the rule of capital as is political unity and the large centralized states themselves.

It was in fact quite other powers at work, great shifts in the economic life of the European nations as they emerged from the Middle Ages, that pioneered the move to the new form of economy.

Once the discovery of America and the circumnavigation of Africa, i.e. the discovery of the sea route to India, had led to an unforeseen upswing and a shift in trade,

the dissolution of feudalism and the guild regime was a powerful tendency in the towns. The violent conquests, land acquisitions and plundering expeditions in the newly discovered lands, the great spice trade with India, the extension of the slave trade supplying black Africans to the American plantations, very soon created in Western Europe new wealth and new needs. The small workshop of the guild artisan with all its fetters proved an impediment on the necessary expansion of production and its rapid progress. The great merchants created a way out by gathering artisans together in large factories outside the city precincts, so as to have them produce more speedily and better, untroubled by the narrow-minded guild regulations.

In England, the new mode of production was introduced by a revolution in the agricultural economy. The blossoming of wool manufacture in Flanders, with its great demand for wool, gave English feudal nobles the impulse to transform large expanses of agricultural land into sheep-walks, which meant the larger part of the English peasantry being driven out of house and home. This meant the creation of a massive number of property-less workers, proletarians, at the disposal of the emerging capitalist manufacture. The Reformation worked in the same direction, with the confiscation of church properties, some of which were handed to the court nobility and speculators, others squandered, with the greater part of their peasant population likewise driven from the soil. The manufacturers and capitalist farmers thus found a massive poor and proletarianized population, outside both feudal and guild restrictions, who, after a long martyrdom of vagabond existence, and bloody persecution by law and police, found a safe haven in wage slavery for the new class of exploiters. There immediately followed also the great technological transformations in manufacturing, which made it possible increasingly to use greater numbers of unskilled wage proletarians in place of skilled artisans or alongside them.

All this pressure and striving towards new relationships came up against feudal barriers and the misery of decomposing conditions. The natural economy that was determined by feudalism and in its very nature, as well as the impoverishment of the popular masses by the limitless pressure of serfdom, naturally restricted the domestic market for manufactured goods, while at the same time the guilds continued to fetter the most important condition of production, labor-power, in the towns. The state apparatus with its endless political fragmentation, its lack of public security, its jumble of tariff and trade-policy confusion, inhibited and burdened the new trade and production at every turn.

It was clear that the rising bourgeoisie in Western Europe, as representative of free world trade and manufacture, had in some way or another to clear all these obstacles out of the way, if it did not want to completely renounce its world-historical mission. Before it broke feudalism to pieces in the great French Revolution, it first struggled with it critically, and the new science of political economy thus arose as one of the most important ideological weapons of the bourgeoisie in its struggle against the medieval feudal state and for the modern state of the capitalist class. The new economic order that was breaking through appeared right away in the form of new and rapidly arising riches, which poured over West European society and stemmed from quite different, more profitable and apparently inexhaustible sources than the patriarchal methods of feudal peasant slavery, which in any case had already reached the end of their natural life. The most striking source of the new enrichment was at first not the emerging new mode of production, but rather its pacemaker, the powerful upswing of world trade on the emergence from the Middle Ages – in the rich Italian commercial republics on the Mediterranean and in Spain, where the first questions of political economy arose, as well as the first attempts to answer them.

What is wealth? How do states become wealthy, and how are they made poor? This was the new problem, once the old notions of feudal society had lost their traditional validity in the whirlpool of new relations. Wealth is gold, for which anything can be bought. Trade therefore creates wealth. So those states become rich that are in a position to bring much gold into the country and not let any out. World trade, therefore, along with colonial conquests in the newly discovered lands and manufactures that produce goods for export, must be promoted by the state, while the import of products from abroad, which would draw gold out of the country, is forbidden. This was the first doctrine of political economy, which appeared in Italy already at the end of the sixteenth century, and came to prevail generally in the seventeenth century in England and France. And no matter how crude this doctrine was, it did offer the first sharp break with the mental universe of feudal natural economy, the first bold criticism of it, the first idealization of trade, of commodity production, and in this form – of capital: in sum the first program of a state policy after the hearts of the young bourgeoisie struggling to advance.

The focus soon switched from the merchant to the commodity-producing capitalist, but still only cautiously, under the mask of humble servant in the anteroom of the feudal lord. Wealth is by no means gold, which is simply the mediator in commodity trade, so the French *lumières* proclaimed in the eighteenth century. What a childish confusion to see gleaming metal as the firm basis of fortune! Can I eat metal if I'm hungry, or can it protect me from the winter cold? Didn't the Persian king Darius, with all his gold treasure, suffer from dreadful pangs of thirst on the battlefield, and would have willingly given it all away for a sip of water? No, wealth means the gifts of nature in foodstuffs and materials, with which all of us, king and beggar alike, satisfy our needs. The more lavishly a population satisfies its needs, the wealthier a state is, as it can draw all the more in tax. But who is it that coaxes nature to make corn into bread, to make the thread from which we spin our clothes, the wood and ore from which we build houses and machinery? Agriculture! It is agriculture, not trade, that forms the true fount of wealth. The mass of the agricultural population, accordingly, the peasant masses whose hands create the wealth of everyone, must be rescued from their boundless misery, protected from feudal exploitation, raised up to well-being! (And in this way I shall also find a market for my goods, the manufacturing capitalist quietly adds.) The great lords of the land, therefore, the feudal barons, into whose hands the whole wealth of agriculture flows, should be the only ones who pay taxes and maintain the state! (Which means, the capitalist again murmurs into his beard with a smile, that I also need pay no taxes.) Agriculture, accordingly, work in the bosom of nature, need only be freed from all the chains of feudalism, for the springs of wealth to flow in their natural abundance for people and state, and the supreme happiness of all people to stand automatically in a necessary harmony with the whole.

If in these Enlightenment doctrines could be clearly heard already the approaching rumble of the storming of the Bastille [in 1789], the capitalist bourgeoisie soon felt strong enough to throw off the mask of obsequiousness, place itself sturdily in the foreground and demand without beating about the bush the restructuring of the whole state to suit them. Agriculture was in no way the only source of wealth, Adam Smith declared in England in the late eighteenth century. All wage labor that was harnessed to commodity production created wealth, whether on the farm or in manufacture! (Any kind of *labor*, said Adam Smith; but for him and his followers – who were already no more than a mouthpiece for the emerging bourgeoisie – people who labored were by nature capitalist wage-laborers!) For all wage-labor created, besides the most necessary wage for the worker's own subsistence, also rent to maintain the

lord of the land and a profit as the wealth of the owner of capital, the entrepreneur. And this wealth was all the greater, the larger the number of workers in a workshop who were harnessed to labor under the command of a single capital, and the more detailed and meticulous the division of labor among them. This then was the true natural harmony, the true wealth of nations: from any kind of work, a wage for the laborers, a wage that kept them alive and forced them to further wage-labor; a rent sufficient for the careless life of the lords; and a profit attractive enough to make it worthwhile for the entrepreneur to pursue his business. *Everyone* is provided for without the clumsy old methods of feudalism. Promoting the “wealth of nations,” therefore, meant promoting the wealth of the capitalist entrepreneur, who keeps the whole system in motion and with it the golden vein of wealth – the bleeding of wage-labor. Away then with all chains and obstacles of the good old days, as well as the more recent paternal methods of the state. Free competition, the free blossoming of private capital, the whole apparatus of taxation and state in the service of the capitalist entrepreneur – and everything will be for the best in this best of all worlds!

This was the economic gospel of the bourgeoisie, with all the wrappings peeled away, and with it political economy finally acquired its fundamental and true form. Of course, the practical reform proposals and advice of the bourgeoisie to the feudal state came to grief as hopelessly as all historic attempts to pour new wine into old bottles. In twenty-four hours the hammer of revolution succeeded in doing what half a century of reforming patchwork had failed to do. It was in fact the conquest of political power that provided the bourgeoisie with the conditions of their supremacy. But political economy, along with the philosophical, social and natural-rights theories of the age of Enlightenment, was above all a means for acquiring self-consciousness, a formulation of the class consciousness of the bourgeoisie and as such a precondition and impulse for the revolutionary act. Even in its palest offshoots, the work of bourgeois world-renovation in Europe was fed by the ideas of classical political economy. The bourgeoisie in England, in its stormy period of struggle for free trade, with which it inaugurated its supremacy on the world market, drew its weapons from the arsenal of Smith and Ricardo. And even the reformers of the Stein-Hardenberg-Scharnhorst era, who wanted to give Prussia’s feudal plunder a more modern touch after the blows received at the battle of Jena, if only to enhance its capacity for survival, developed their ideas from the doctrines of the English classics, so that the “young German” political economist [Alexander von der] Marwitz could write in 1810 that along with Napoleon, Adam Smith was the most powerful ruler in Europe.

If we understand then why political economy first arose some hundred and fifty years ago, its later destiny becomes clear from the same point of view. If political economy appears as a science of the particular laws of the capitalist mode of production, its existence and function are evidently linked to the existence of this, and lose their foundation once this mode of production ceases to exist. In other words: political economy as a science has played out its role as soon as the anarchic economy of capitalism makes way for a planned economic order, consciously organized and managed by the whole of working society. The victory of the modern working class and the realization of socialism accordingly mean the end of political economy as a science. This is where a particular connection arises between political economy and the class struggle of the modern proletariat.

If it is the task and object of political economy to explain the laws of the origin, development and spread of the capitalist mode of production, it is an unavoidable consequence that it must as a further consequence also discover the laws of the decline of capitalism, which just like previous economic forms is not of eternal duration, but is simply a transitional phase of history, a rung on the endless ladder of social

development. The doctrine of the emergence of capitalism thus logically turns into the doctrine of the decline of capitalism, the science of the mode of production of capital into the scientific foundation of socialism, the theoretical means of the bourgeoisie's domination into a weapon of the revolutionary class struggle for the liberation of the proletariat.

This second part of the general problem of political economy has of course not been solved by either French or English scholars from the bourgeois class, still less their German counterparts. One man drew the final consequences of the theory of the capitalist mode of production, a man who stood from the start on the class position of the revolutionary proletariat: Karl Marx. With this, socialism and the modern workers' movement was placed for the first time on an unshakeable foundation of scientific knowledge.

Socialism goes back for thousands of years, as the ideal of a social order based on equality and the brotherhood of man, the ideal of a communistic society. With the first apostles of Christianity, various religious sects of the Middle Ages, and in the German peasants' war, the socialist idea always glistened as the most radical expression of rage against the existing society. But in this ideal form, which could commend itself to any social milieu at any time, socialism remained no more than a golden fantasy, as unachievable as the appearance of the rainbow against the background of clouds.

It was in the late eighteenth and early nineteenth century that the socialist idea first appeared with vigor and force, freed from religious enthusiasm, but rather as an opposition to the terror and devastation that emerging capitalism wreaked on society. Yet this socialism too was basically nothing but a dream, the invention of individual bold minds. If we listen to the first forerunner of the revolutionary uprisings of the proletariat, Gracchus Babeuf, who carried out an attempted coup during the great French Revolution for the forcible introduction of social equality, the only fact on which he was able to base his communist strivings was the gaping inequality of the existing social order. He did not tire, in his passionate articles and pamphlets, likewise in his speech in his own defense before the tribunal that sentenced him to death, of painting this in the most dismal colors. His gospel of socialism was a monotonous repetition of charges against the inequality of the existing order, against the sufferings and pains, the misery and humiliation, of the working masses, at whose expense a handful of idle people grow rich and rule. It was enough for Babeuf that the existing social order deserved to collapse, and it could in fact have been overthrown a hundred years earlier if there had been a group of determined men to seize state power and introduce a regime of equality, as the Jacobins of 1795 sought to seize political power and introduce the republic.

The socialist ideas represented by the three great thinkers: [Claude Henri] Saint-Simon and [Charles] Fourier in France, [Robert] Owen in England, in the 1820s and 30s, with far greater genius and brilliance, relied on quite different methods, but essentially rested on the same foundation. Certainly, none of these three had in mind a revolutionary seizure of power for the realization of socialism; on the contrary, they were, like the whole generation that followed the great Revolution [of 1789], disappointed by all social overthrow and all politics, and avowed supporters of purely peaceful propaganda methods. Yet the basis of the socialist idea was the same for all three: in essence, this was simply the project and invention of a mind of genius, who recommended its realization to tortured humanity, in order to redeem them from the hell of the bourgeois social order.

These socialist theories thus remained, despite the force of their criticisms and the spell of their future ideals, without significant influence on the real movements and struggles of contemporary history. Babeuf and his handful of friends sank like a frail bark in the powerful counter-revolutionary wash, without at first leaving any trace but a short illuminating line on the pages of revolutionary history. Saint-Simon and Fourier only founded sects of enthusiastic and talented supporters, who after a while scattered or took new directions, after they had spread rich and fertile stimulus in terms of social ideas, criticisms and initiatives. It was Owen who had most effect on the mass of the proletariat, yet even his influence, after inspiring an elite troop of English workers in the 1830s and 40s, subsequently disappeared without trace.

A new generation of socialist leaders emerged in the 1840s: [Wilhelm] Weitling in Germany, [Pierre Joseph] Proudhon, Louis Blanc and Blanqui in France. The working class, for its part, had already embarked on struggle against the rule of capital, it had given the signal for class struggle in the elemental insurrections of the Lyons silk weavers in France, and in the Chartist movement in England. But there was no direct connection between these spontaneous stirrings of exploited masses and the various socialist theories. The revolutionary proletarian masses did not have a definite socialist goal in mind, nor did the socialist theorists seek to base their ideas on a political struggle of the working class. Their socialism was to be realized by cleverly thought-out arrangements, such as Proudhon's "people's bank" for fair exchange of goods, or Louis Blanc's producer associations. The only socialist who counted on political struggle as a means to carry out the social revolution was Blanqui, who was in this way the only genuine representative of the proletariat and its revolutionary class interest in this period. But his socialism was basically a project that was achievable at any time, as the fruit of the determined will of a revolutionary minority and a sudden overthrow that this would achieve.

The year 1848 was to see both the culmination and the crisis of this earlier socialism in all its varieties. The Paris proletariat, influenced by traditions of earlier revolutionary struggle and roused by various socialist systems, passionately clung to the vague ideas of a just social order. As soon as the bourgeois monarchy of Louis-Philippe was toppled, the Paris workers used their position of power to demand from the terrified bourgeoisie the realization now of the "social republic" and a new "organization of labor." For the achievement of this program, the proletariat afforded the provisional government the celebrated timeframe of three months, during which time the workers starved and waited, while the bourgeoisie and petty-bourgeoisie quietly armed and prepared the subjection of the workers. The period ended with the memorable butchery of June, in which the ideal of a "social republic" achievable at any time was drowned in the streaming blood of the Paris proletariat. The revolution of 1848 did not introduce the realm of social equality, but rather the political rule of the bourgeoisie and an unprecedented upswing of capitalist exploitation under the Second Empire.

At the same time, however, that socialism of the old schools seemed buried forever beneath the demolished barricades of the June insurrection, the socialist idea was placed on a completely new footing by Marx and Engels. These two sought the basis for socialism not in moral repugnance towards the existing social order nor in cooking up all kinds of possible attractive and seductive projects, designed to smuggle in social equality within the present state. They turned to the investigation of the *economic* relationships of present-day society. Here, in the laws of capitalist anarchy itself, Marx discovered the real starting-point for socialist efforts. If the French and English classics of political economy had discovered the laws by which the capitalist economy lived and developed, Marx took up their work half a century later precisely

at the point where they had broken this off. He discovered for his part how these same laws of the present-day social order acted towards their own downfall, by increasingly threatening the existence of society with the spread of anarchy and forming a chain of devastating economic and political catastrophes. It was thus, as Marx showed, the developmental tendencies of the rule of capital itself that at a certain stage of their maturity made necessary the transition to a planned mode of production, consciously organized by the whole working society, if the whole of society and human culture were not to collapse in the convulsions of unleashed anarchy. And the rule of capital hastened this fateful hour ever more energetically by bringing together its future gravediggers, the proletarians, in ever greater masses, by spreading itself over all corners of the earth, producing an anarchic world economy and in this way creating the basis for the proletariat of all countries to combine in a revolutionary world power for the abolition of capitalist class rule. In this way socialism ceased to be a project, a beautiful fantasy or even an experiment of particular groups of workers in separate countries. As the common program of political action of the international proletariat, socialism is a *historical necessity*, since it is a fruit of the economic developmental tendencies of capitalism.

It is clear then why Marx placed his own economic doctrine outside official political economy, calling it a “critique of political economy.” The laws of capitalist anarchy and its future downfall that Marx brought to light are certainly a continuation of the political economy that was created by bourgeois scholars, but a continuation whose final results stand in very sharp contrast to the points of departure of this. The Marxian doctrine is a child of political economy, but a child that cost its mother her life. Political economy found its completion in Marx’s theory, but also its conclusion as a science. What is still to follow – apart from the detailed development of Marx’s doctrine – is simply the transformation of this doctrine into action, i.e. the struggle of the international proletariat for the realization of the socialist economic order. The end of political economy as a science thus amounts to a world historical act: its transformation into the practice of a world economy organized according to a plan. The final chapter of political-economic doctrine is the social revolution of the world proletariat.

The particular connection between political economy and the modern working class thereby proves to be a reciprocal relationship. If political economy, as this was extended by Marx, is on the one hand more than any other science the indispensable basis for proletarian enlightenment, on the other hand the class-conscious proletariat of today forms the only comprehending and receptive audience for the doctrine of political economy. At an earlier time, it was only with the decaying ruins of the old feudal society before their eyes that [François] Quesnay and [Pierre] Boisguilbert in France, Adam Smith and [David] Ricardo in England, full of pride and enthusiasm for the young bourgeois society and with a firm belief in the impending thousand-year rule of the bourgeoisie and its “natural” social harmony, fearlessly directed their penetrating gaze into the depths of the laws of capitalism.

Since then, the proletarian class struggle that has risen ever more powerfully, and especially the June insurrection of the Paris proletariat, has long since destroyed the faith of bourgeois society in its divine mandate. Since it has eaten from the tree of knowledge of modern class antagonisms, it shuns the classical nakedness in which it showed itself to the creators of its own political economy. It is clear today however that it was these scientific discoveries from which the spokesmen for the modern proletariat drew their most deadly weapons.

For several decades now, therefore, it is not just socialist political economy, but bourgeois political economy as well, in so far as this is genuinely scientific, that finds a deaf ear among the possessing classes. Unable to understand the teachings of their own great ancestors, and still less to accept the Marxian teaching that emerged from these and tolls the death knell of bourgeois society, today's bourgeois scholars produce under the name of political economy an inchoate brew of garbage from all kinds of scientific ideas and self-interested confusions, no longer pursuing the goal of investigating the real tendencies of capitalism, but only striving for the opposite aim of concealing these tendencies in order to defend capitalism as the best, eternal, and only possible economic order.

Forgotten and betrayed by bourgeois society, scientific political economy now seeks its audience only among the class-conscious proletarians, finding with them not just theoretical understanding but also vigorous fulfillment. It is political economy more than anything else to which Lassalle's well-known words apply: "If science and the workers, these two opposite poles of society, embrace one another, they will overwhelm in their arms all obstacles of civilization."

## **2. Material on economic history (1)**

### **2.1**

Our knowledge of the earliest and most primitive economic forms is very recent. In 1847, Marx and Engels wrote in the first classic proclamation of scientific socialism, the *Communist Manifesto*, that "the history of all hitherto existing society is the history of class struggles." But around the very same time that the creators of scientific socialism announced this notion, it began to be shaken by new discoveries on all sides. Almost every year brought formerly unknown insights into the ancient economic conditions of human society, leading to the conclusion that there must have been enormous stretches of time in past history in which there were not yet class struggles, since there was no division into different social classes, no distinction between rich and poor, and no private property.

In the years 1851 to 1853, the first of Georg Ludwig von Maurer's epoch-making works was published in Erlangen, the *Einleitung zur Geschichte der Mark-, Hof-, Dorf- und Stadt-Verfassung und der öffentlichen Gewalt* [Introduction to the History of the Mark, Court, Village and Town Constitution], casting a new light on the Germanic past and the social and economic structure of the Middle Ages. Several decades before, in some particular places – Germany, the Nordic countries and Iceland – people had already stumbled upon remarkable survivals of age-old agricultural arrangements that indicated the former existence of common ownership of land in those places, the existence of an agrarian communism. At first, however, no one knew what to make of these survivals. According to an earlier point of view, widespread since the writings of [Justus] Möser and [Nikolaus] Kindlinger, the cultivation of the soil in Europe was undertaken by individual households, each of whom was allocated a separate holding that was the household's private property. Only in the later Middle Ages, it was believed, were the formerly scattered dwellings brought together into villages for the sake of greater security, and the formerly separated household plots bundled together as village ones. Improbable on closer consideration as this notion appears, the most unbelievable thing is what has to be assumed about its origin, i.e. that dwellings often quite far removed from one another were torn down simply to rebuild them in a different place, and further, that each person voluntarily gave up the convenient situation of his private fields around his house, which he was free to cultivate how he liked, in order to receive land that was divided into

narrow strips scattered across open fields, whose cultivation was completely dependent on his fellow-villagers – unlikely as this theory was, it continued all the same to prevail until the mid nineteenth century. Maurer was the first to combine these various particular discoveries into a bold and wide-ranging theory, and he demonstrated conclusively, on the basis of immense factual material and the profoundest research in old archives, proclamations and legal institutions, that common property in land did not arise for the first time in the late Middle Ages, but was rather the typical and general age-old form of the Germanic settlements in Europe from the very beginning. Two thousand years ago and still earlier, in that first misty age of the Germanic people, who did not yet have any written history, the prevailing conditions were fundamentally different from those of today. There was then among the Germans no state with written obligatory laws, no divide between rich and poor, rulers and workers. They formed free *tribes* and *clans*, which wandered across Europe for a long time until they settled first temporarily and eventually permanently. The first cultivation of land in Germany, as Maurer showed, was undertaken not by individuals, but by whole clans and tribes, as it was in Iceland by larger societies known as *frándalid* and *skulldalid* – i.e. friendships and retinues. The oldest information about the ancient Germans, which we have from the Romans, authenticates this notion, as does the examination of institutions that have survived. The first peoples who populated Germany were migrating pastoralists. Like other nomads, stock raising and the possession of rich meadows for this was their main concern. In the long run, however, they could not exist without agriculture as well, as was also the case with other migrant peoples old and new. And it was precisely in this condition of nomadic economy mixed with agriculture, yet with stock-raising still apparently their main activity and cultivation something subordinate, that Julius Caesar found the Germanic populations of the Suevi or Swabians. Similar conditions, customs and institutions were also noted among the Franks, Allemanni, Vandals and other Germanic tribes. All these Germanic populations settled as coherent tribes and clans, rapidly cultivating the land and gathering together whenever more powerful tribes pressed one way or another, or their pasture was no longer sufficient. Only when the migrating tribes had become peaceful and none of the others any longer pressed them, did they remain for a longer time in these settlements and thus gradually acquired fixed territories. This settling down, however, whether at an earlier or a later date, whether on virgin land or on former Roman or Slavic possessions, took place by whole tribes and clans. In this process, each tribe, and each clan within a tribe, took over a particular area, which then belonged in common to everyone involved. The ancient Germans did not know any *meum* and *tuum* in connection with land. Each clan rather formed as it settled a so-called mark community, which cultivated, partitioned and worked in common the land that it held. Each individual received by lot a share of the fields, which he was only given to use for a definite time, the strictest equality being observed in this sharing of the land. All economic, legal and general affairs of these mark communities, which generally also formed a “hundred” of arms-bearing men, were handled by the assembly of mark members itself, and this also chose the mark leader and other public officials.

It was only in mountain, forest or marshy districts, where lack of space or cultivable land made denser settlement impossible, as for example in the Odenwald, Westphalia and the Alps, that the Germans settled as individual households. Yet these too formed into communities, with meadows, woods and pastures rather than fields being the common property of the whole village, the so-called “common land” (*Allmende*), and all public affairs being dealt with by the mark community.

The tribe, as the ensemble of many such mark communities, generally around a hundred, most often came into play only as the highest judicial and military unit. This mark-community organization, as Maurer showed in the twelve volumes of his great work, formed the foundation as well as the smallest cell of the whole social network, from the very start of the Middle Ages through to quite recent modern times, with feudal manors, villages and towns, in different modifications, all emerging out of it, and its ruins can be seen right to the present day in certain districts of Central and Northern Europe.

When the first discoveries of age-old common property in land in Germany and the Nordic countries became known, the theory was put forward that this was a particular and specifically Germanic institution, which could only be explained in terms of the particularities of the Germanic national character. Although Maurer himself was quite free from this national view of Germanic agricultural communism, and pointed out similar examples among other peoples, it generally remained a fixed assertion in Germany that the old rural mark community was a peculiarity of Germanic public and legal relations, an emanation of the "Germanic spirit." Yet almost at the same time as Maurer's first publications on the ancient village communism of the Germans, new discoveries came to light in a quite different part of the European continent. Between 1847 and 1852, the Westphalian Baron von Haxthausen, who had traveled in Russia in the early 1840s at the invitation of Tsar Nicholas I, published in Berlin his *Studien über die inneren Zustände, das Volksleben und insbesondere die ländlichen Einrichtungen Russlands* [Studies on the Internal Conditions of Russia, the Life of its People and Especially its Rural Institutions]. From this work the world learned to its astonishment that in the east of Europe fully analogous institutions still persisted. The age-old village communism, whose ruins in Germany had to be unveiled with difficulty from the overlays of later centuries and millennia, was suddenly found alive and kicking in the enormous empire to the east. In both the book mentioned above, and in his later work published in 1866 in Leipzig on *Die ländliche Verfassung Russlands* [The Rural Constitution of Russia], Haxthausen demonstrated that the Russian peasants knew nothing of private property in fields, meadows and woods, the village as a whole being the real owner of these, while individual peasant families obtained only temporary use of parcels of land – by drawing lots just as with the ancient Germans. In Russia, at the time when von Haxthausen traveled and investigated, serfdom was still in full force, and at first glance it was thus all the more striking that under the rigid surface of a harsh serfdom and a despotic state apparatus the Russian village presented a little closed-off world unto itself, with rural communism and the communal handling of all public affairs by the village assembly, the *mir*. The German discoverer of these peculiarities explained the Russian rural commune as a product of the ancient Slavic family community, as this is still found among the southern Slavs of the Balkan countries and as it fully existed in the Russian law books of the twelfth century and later. Haxthausen's discovery was seized on with jubilation by a whole intellectual and political tendency in Russia, by Slavophilism. This tendency, bent on a glorification of the Slavic world and its particularities, its "unspent force" as against the "lazy West" with its Germanic culture, found in the communist institutions of the Russian peasant community its strongest point of support over the next two or three decades. Depending on the respective reactionary or revolutionary branch that *Slavophilism* divided into, the rural community was seen either as one of the three authentic basic Slavic institutions of Russianism: Greek Orthodox belief, tsarist absolutism, and peasant-patriarchal village communism, or conversely as a suitable point of support for introducing a socialist revolution in Russia in the immediate future, and thus making much earlier than in

Western Europe the leap directly into the promised land of socialism. The opposing poles of Slavophilism both completely agreed, however, that the Russian rural community was a specifically Slavic phenomenon, explicable in terms of the particular national character of the Slavic tribes.

In the meantime, another moment in the history of the European nations had appeared, bringing them into contact with new regions of the world and making them very perceptibly aware of particular public institutions and age-old cultural forms that belonged neither to the Germanic nor to the Slavic orbit. This time it was not a matter of scientific investigations and learned discoveries, but rather the heavy-handed interests of the European capitalist states and their experiences in practical *colonial policy*. In the nineteenth century, in the age of capitalism, European colonial policy struck out on new paths. It was no longer, as in the sixteenth century with the first attack on the New World, a matter of the speediest plunder of the treasures and natural wealth of the newly discovered tropical lands in terms of precious metals, spices, valuable adornments and slaves, in which the Spanish and Portuguese had achieved so much. Nor was it a matter of important opportunities for trade, with various raw materials from overseas countries being imported for the European market, and valueless trash and plunder being pressed on the indigenous peoples of these countries, in which the Dutch of the seventeenth century were the pioneers and served as a model for the English. Now, as well as these earlier methods of colonization, which are still in full bloom here and there today and have never gone out of style, we had a new method of more persistent and systematic exploitation of the population of the colonies for the enrichment of the "home country." This was designed to serve two purposes: first, the actual seizure of land as the most important material source of wealth in each country, and second, the continuous taxation of the broad mass of the population. In this double effort, the European colonial powers necessarily came up against a remarkable rock-hard obstacle in all these exotic lands, i.e. the particular property institutions of the indigenous peoples, which opposed a most stubborn resistance to plundering by the Europeans. In order to seize land from the hands of its former proprietors, it was first necessary to establish who these proprietors were. In order not just to decree taxes, but also to be able to collect them, it had to be established who was liable for such taxes. Here the Europeans in their colonies came upon relationships quite foreign to them, which directly overturned all their notions of the sanctity of private property. The English in South Asia had the same experience of this as the French did in North Africa.

The conquest of India by the English, begun in the early seventeenth century with the gradual seizure of the entire coastline and Bengal, only ended in the nineteenth century with the subjection of the highly important Punjab in the north. After political subjection, however, came the difficult work of the systematic exploitation of India. Everywhere they went, the English experienced the greatest surprise: they found the most varied peasant communities, large and small, which had occupied the land for millennia, cultivating rice and living in quiet, orderly conditions, but – oh horror! – no private owner of the land was to be found anywhere in these tranquil villages. No matter whom you asked, no one could call the land or the parcel he worked *his own*, i.e. no one was allowed to sell, lease, mortgage it or pawn it for arrears of taxation. All the members of these communities, which sometimes embraced whole large clans, sometimes only a few families who had branched off from the clan, stuck doggedly together, and ties of blood were everything to them, while individual ownership was nothing. Indeed, the English to their amazement were forced to discover on the banks of the Indus and the Ganges similar models of rural communism against which even the communist customs of the ancient Germanic mark or Slavic village

community seemed almost like the fall into private property.

As the English tax authorities reported from India in 1845, "We can see no permanent shares. Each possesses the share that he cultivates only as long as the agricultural work continues. If a share is left untilled, it falls back into common land and can be taken over by anyone else, on condition that he cultivates it."

At the same time, a government report on the administration of Punjab from 1849 to 1851 stated:

It is highly interesting to observe how strong the sentiment of blood kinship is in this community, and the consciousness of stemming from a common ancestor. Public opinion so strictly insists on the maintenance of this system that we not uncommonly see how persons are allowed into it even if their ancestors had not participated in this common ownership for one or even two generations.

"With this form of possession of land," wrote the report of the English state council on the Indian clan community, "no member of the clan can prove that he owns this or that part of the common land, but only that he possesses it for temporary use. The products of the common economy are placed in a common bank, from which all needs are met." Here, therefore, we have no distribution of the fields at all, even for the agricultural season; the peasants of the community possess and work their fields undividedly and in common, they bring the harvest into a common village store, which the capitalist eye of the English had to see as a "bank," and fraternally meet their modest needs from the fruits of their common labor. In the northwestern corner of the Punjab, close to the border with Afghanistan, other very remarkable customs were encountered, which scorned any notion of private property. Here, while the fields were indeed divided and even periodically changed around, it was not – what a miracle! – individual families that exchanged their plots with one another, instead whole villages rotated their land every five years, with the whole community migrating. As the English tax commissioner James wrote from India in 1852 to his superiors: "I cannot fail to mention a most peculiar custom that has persisted in some districts until today: I mean the periodic exchange of lands between individual villages and their subsections. In some districts only fields are exchanged, in others even dwelling houses."

Once again, therefore, we have the particular characteristics of a certain family of peoples, this time an "Indian" peculiarity. The communist institutions of the Indian village community, however, indicate their traditional age-old character both by their geographical location and particularly by the strength of blood ties and kinship relations. It was precisely the earliest forms of communism preserved in the oldest inhabited parts of India, the north-west, that clearly indicated the conclusion that communal property along with strong ties of kinship was attributable to thousand-year-old customs, linked with the first settlements of the immigrant Indians in their new home, present-day India. Sir Henry Maine, professor of comparative law at Oxford and former member of the government of India, took the Indian rural community as the subject of his lectures as early as 1871, placing it alongside the mark communities that Maurer had demonstrated in Germany and [Erwin] von Nasse in England, as age-old institutions of the same character as the Germanic rural communities.

The venerable age of these communist institutions also struck the amazed English in a further way, i.e. by the stubbornness with which they resisted the tax and administration skills of the colonizers. It took a struggle of decades, with every kind of coup de main, enormity, and unscrupulous attack on the people's old laws and prevailing notions of right, before they could bring about an incurable confusion of all

property relations, general insecurity and the ruin of the great mass of peasants. The old ties were broken, the quiet seclusion of village communism torn asunder and replaced by discord, disharmony, inequality and exploitation. The result was enormous *latifundia* on the one hand, and an immense mass of millions of dispossessed peasant tenants on the other. Private property celebrated its entry in India, and with it typhus and scurvy due to hunger became a constant presence in the marshes of the Ganges.

But even if, in the wake of the discoveries of the English colonizers in India, this ancient rural communism, already now found among three such major branches of the great Indo-Germanic family of peoples – Germanic, Slavic and Indian – was seen as an ancient peculiarity of the Indo-Germanic group of peoples, uncertain as this ethnographic concept may be, the concurrent discoveries of the French in Africa already went far beyond this orbit. What we had here were discoveries that showed among the Arabs and Berbers of North Africa exactly the same institutions as had been found at the heart of Europe and on the Asian continent.

Among the Arabic nomadic herdsmen, land was the property of the clan. This clan property, so the French scholar [Rodolpho] Dareste wrote in 1852, was handed down from generation to generation, and no individual Arab could point to a piece of land and say: This is mine.

Among some branches of the Kabyles, who had been completely Arabized, the clan associations had already very much decayed, yet the power of the clans still remained strong: they took common responsibility for taxes; they bought livestock together for division among the different branches of a family as food; in all disputes over possession of land the clan council was the highest authority; settlement among the Kabyles always required the agreement of the clans; and the clan council likewise disposed of uncultivated lands. The prevailing rule, however, was the undivided property of a family, which did not just include in the present-day European sense an individual couple, but was rather a typically patriarchal family, like that of the ancient Israelites as described in the Bible – a large circle of kinship, consisting of father, mother, sons and their wives, children and grandchildren, uncles, aunts, nephews and cousins. In this circle, said another French researcher, [Aristide] Letourneux, in 1873, it was the custom for the oldest family member to dispose of the undivided property, though he was in fact *chosen* for this office by the family, while in all more important cases, in particular where the sale and purchase of land was involved, the whole family council had to be consulted.

This was the situation with the population of Algeria at the time that the French colonized it. France had the same experience in North Africa as the English had in India. Everywhere, the European colonial policy met with stubborn resistance on the part of age-old social associations and their communistic institutions, which protected individuals from the exploitative grip of European capital and European financial policy.

At the same time as these new discoveries, a half-forgotten memory from the first days of European colonialism and its quest for booty in the New World now appeared in a new light. The yellowed chronicles of the Spanish state archives and monasteries preserved the curious tale from centuries ago of the miraculous South American country where already in the age of the great discoveries the Spanish conquistadores had found the most remarkable institutions. The hazy reports of this South American land of marvels found their way into European literature already in the seventeenth and eighteenth centuries, reports of the empire of the Incas, which the Spanish had discovered in what is now Peru and where the people lived with

complete common property under the paternal theocratic government of generous despots. The fantastic ideas of this legendary communist realm in Peru persisted so stubbornly that in 1875 a German writer could refer to the Inca kingdom as “almost unique in human history” in being a social monarchy on a theocratic foundation, in which “the greater part of what the Social Democrats strive for today as their conceived ideal, but at no time have achieved,” was carried out in practice. In the meantime, however, more exact material on this remarkable land and its customs had appeared.

In 1840, an important original report by Alonzo de Zurita, one-time auditor to the royal council in Mexico, on administration and agrarian relations in the former Spanish colonies, was published in French translation. And in the mid-nineteenth century, even the Spanish government was stirred to rescue old information about the conquest and administration of Spain’s American possessions from the archives and bring it to light. This made a new and important documentary contribution to the material on social conditions of ancient precapitalist stages of culture in overseas lands.

Already on the basis of Zurita’s reports, the Russian scholar Maksim Kovalevsky concluded in the 1870s that the legendary realm of the Incas in Peru had been simply a country in which the same age-old agrarian communist relations prevailed that Maurer had already found in many places among the ancient Germans, and that were the predominant form not just in Peru but also in Mexico and throughout the new regions of the world conquered by the Spanish. Later publications made possible an exact investigation of the old Peruvian agrarian relations, and revealed a new picture of primitive rural communism – again in a new part of the world, among a different race, at a quite different cultural stage and in a quite different era, than had been the case with previous discoveries.

Here we had an age-old agrarian communist constitution, which – prevailing from time immemorial among the Peruvian tribes – was still fully alive and well at the time of the Spanish invasion. Here too, a kinship association, the clan, was the only proprietor of the land in each village, or in a few villages together, and here too, the arable land was divided into lots and distributed annually by lot to the members of the village; here too public affairs were settled by the village community, which also elected the village head. Indeed, on the distant continent of South America, among the Amerindians, living traces were found of a communism so far-reaching as seemed quite unknown in Europe: there were immense common buildings, where whole clans lived in common quarters with a common burial place. It was said of one such quarter that it was occupied by more than 4,000 men and women. The capital of the so-called Inca emperor, the town of Cuzco, consisted of several such common quarters, each of which bore the particular name of a clan.

From the mid-nineteenth century, therefore, through to the 1870s, a wealth of material came to light that eroded and soon tore to shreds the old idea of the eternal character of private property and its existence from the beginning of the world. After agrarian communism had been discovered as a peculiarity of the Germanic people, then as something Slavic, Indian, Arab-Kabyle, or ancient Mexican, as the marvel state of the Peruvian Inca and in many more “specific” races of people in all parts of the world, the conclusion was unavoidable that this village communism was not at all a “peculiarity” of a particular race of people or part of the world, but rather the general and typical form of human society at a certain level of cultural development. The first reaction of official bourgeois science, i.e. political economy, was obstinately to resist this knowledge. The English school of Smith and Ricardo, which prevailed

throughout Europe in the first half of the nineteenth century, simply denied the possibility of common property in land. Just as earlier on the crude ignorance and narrow-mindedness of the first Spanish, Portuguese, French and Dutch conquerors in newly discovered America completely failed to understand the agrarian relations of the indigenous population, and in the absence of private owners simply declared the whole land “property of the emperor,” available to the exchequer, so in the age of bourgeois “enlightenment,” the great luminaries of political-economic learning proceeded in the same way. In the seventeenth century, for example, the French missionary [Jean-Antoine] Dubois wrote about the Indians: “The Indians possess no property in land. The fields that they work are the property of the Mongol government.” And a medical doctor of the Montpellier faculty, François Bernier, who traveled the lands of the great Mogul in Asia and published in Amsterdam in 1699 a very well-known description of these countries, exclaimed in amazement: “These three states, Turkey, Persia, and India, have denied the concept of *meum* and *tuum* in relation to the ownership of land, a concept that is the foundation of everything fine and good in the world.” Exactly this same crass ignorance and lack of understanding of everything that appeared different from capitalist culture was shown by the scholar James Mill, father of the celebrated John Stuart Mill, when he wrote in his history of British India: “On the basis of all the facts we have considered, we can only reach one conclusion, that landownership in India fell to the conqueror, for if we were to assume that he was not the landowner, we would not be in a position to say who the owner was.”

The idea that ownership of land simply belonged to the Indian peasant communities who had worked it for millennia, that there could be a country, a great social culture, in which land was not a means for exploiting the labor of others, but simply the foundation of the existence of working people themselves, was something that the brain of a great scholar of the English bourgeoisie was unable to accept. This almost touching limitation of the intellectual horizon to the four walls of the capitalist economy only shows that the official science of the bourgeois enlightenment has an infinitely narrower horizon and cultural-historical understanding than the Romans had two thousand years ago, with their generals like Caesar, and historians like Tacitus, handing down to us extremely valuable insights and descriptions on the economic and social relations of the Germanic barbarians that they saw as strange and savage.

Just as today, so previously too, bourgeois political economy as the intellectual defense forces of the prevailing form of exploitation had less understanding than any other science of different forms of culture and economy, and it was reserved for branches of science that were somewhat more removed from the direct conflict of interest and struggle between capital and labor, to recognize in the communist institutions of earlier times a generally prevailing form of economic and cultural development at a certain stage. It was jurists such as Maurer and Kovalevsky, and the English law professor and state councilor for India, Sir Henry Maine, who first came to understand agrarian communism as an international primitive form of development that appeared among all races and in all parts of the world. And it was a legally trained sociologist, the American Lewis Henry Morgan, who discovered the necessary social structure of primitive society as the basis for this economic form.

The great role of kinship ties among the ancient communist village communities struck scholars, both in India and in Algeria, as well as among the Slavs. In the wake of Maurer’s studies, it was established in the case of the Germans that it was always in the form of clans, i.e. kinship groups, that they pursued their settlement in Europe. The history of the antique Greeks and Romans showed all along the line that the clan had always played the greatest role for them, as a social group, an

economic unit, a legal institution and a closed circle of religious practice. Finally, almost all reports of travelers in so-called savage countries agreed remarkably on the fact that, the more primitive a people was, the greater the role of kinship ties in the life of that people, and the more that these governed their economic, social and religious relations and ideas.

Scientific research was thus presented with a new and highly important problem. What actually were these kinship ties that were so important in ancient times, how had they come to be formed, what was their connection with economic communism and economic development in general? On all these questions, it was Morgan who first offered an insight in his epoch-making book *Ancient Society*. Morgan, who had spent a large part of his life among an Indian tribe of Iroquois in the state of New York, and had made a most thorough study of the conditions of this primitive hunting people, came by comparing his own results with facts known about other primitive peoples to a new and wide-ranging theory about the forms of development of human society over the immense expanses of time that preceded any historical information. Morgan's pioneering ideas, which retain their full validity today despite the wealth of new material that has since appeared and corrected several details of his presentation, can be summarized as follows.

1: Morgan was the first to bring scientific order into prehistoric cultural history, both by defining its particular stages and also by revealing the underlying driving force of this development. Until then, the immense temporal extents of social life that preceded any written history, as well as the social relations of the primitive peoples still living today, with all their motley wealth of forms and stages, formed an uncharted chaos, from which only individual chapters and fragments had been brought to light by scientific research here and there. In particular, the descriptions "savagery" and "barbarism," which were customarily used as a summary description of these conditions, had only a meaning as *negative* concepts, descriptions of the lack of everything that was considered characteristic of "civilization," i.e. of well-mannered human life as seen through contemporary eyes. From this point of view, properly mannered social life, appropriate to human dignity, began only with those conditions described in written history. Everything that belonged to "savagery" and "barbarism" indifferently formed only an inferior and embarrassing stage prior to civilization, a half-animal existence which present-day civilized humanity could only regard with condescending disparagement. Just as the official representatives of the Christian church regard all primitive and pre-Christian religions as simply a long series of errors in the quest of humanity for the only true religion, so for the political economists all primitive forms of economy were merely unsuccessful attempts that preceded the discovery of the one true form of economy: that of private property and exploitation with which written history and civilization begins. Morgan dealt this conception a decisive blow by portraying the whole of primitive cultural history as an equally valid – indeed an infinitely more important – part in the uninterrupted developmental sequence of humanity, infinitely more important both on account of its infinitely longer duration in comparison with the tiny section of written history, and also on account of the decisive acquisitions of culture that were made precisely in that long dawn of human social existence. By filling the descriptions "savagery," "barbarism" and "civilization" for the first time with a positive content, Morgan made them into precise scientific concepts and applied them as tools of scientific research. For Morgan, savagery, barbarism and civilization are three sections of cultural development, separated from each other by quite particular material characteristics, and themselves each breaking down into a lower, middle and upper stage, which again are distinguished by particular concrete achievements and advances. Pedantic know-all today may rail that the

middle stage of savagery could not simply begin, as Morgan believed, with fishing, the upper stage with the invention of the bow and arrow, and so on, since in several cases the sequence was the other way round, and in other cases was dependent on natural conditions – objections that can indeed be made against any historical classification, if this is conceived as a rigid schema of absolute validity, an iron fetter on knowledge instead of a living and flexible guideline. Morgan's epoch-making service remains exactly the same, that he originated the investigation of prehistory with this first scientific classification of preconditions, just as it is Linnaeus's service to have supplied the first scientific classification of plants. Yet there is one great difference. [Carl] Linnaeus, as we well know, took as the basis of his systematization of plants a very usable but purely external characteristic – the sexual organs of plants – and this first makeshift had later, as Linnaeus himself well recognized, to make way for a deeper natural classification from the standpoint of the developmental history of the plant world. Morgan, on the contrary, made his most fruitful contribution to research precisely by the choice of the basic principle on which he built his system: he made the starting point of his classification the proposition that it is the kind of social labor, *production*, that in each historical epoch from the first beginnings of culture plays the main role in determining human social relations, and that its decisive advances are likewise so many milestones in this development.

2: Morgan's second great achievement bears on the family relations of primitive society. Here too, on the basis of comprehensive material that he obtained by an international survey, he laid down the first scientifically founded sequence of developmental forms of the family, from the earliest forms of quite primitive society through to today's prevailing monogamy – i.e. legally established permanent marriage of a single couple, with the dominant position of the man. Of course, here too material has emerged to require several corrections of detail to Morgan's developmental schema of the family. The basic lines of his system, however, as the first ladder of human family forms derived strictly from the idea of development, from the grey of prehistory through to the present, remain a lasting contribution to the treasury of social science. This area, too, Morgan enriched not simply by his systematic conception, but also by a fundamental idea of genius about the relationship between the family relations of a society and its prevailing kinship system. Morgan was the first to draw attention to the striking fact that among many primitive peoples the actual relations of sexuality and descent, i.e. the actual family, do not coincide with the kinship categories that people ascribe one another, or with the reciprocal duties that derive from these ascriptions. He was the first to find an explanation for this puzzling phenomenon purely in materialist and dialectical terms. "The family," he says, "represents an active principle. It is never stationary, but advances from a lower to a higher form as society advances from a lower to a higher condition.... Systems of consanguinity, on the contrary, are passive; recording the progress made by the family at long intervals apart, and only changing radically when the family has radically changed."

We find, then, that among primitive peoples, systems of consanguinity remain valid that correspond to an earlier and already superseded form of family, just as people's ideas and notions generally remain tied for a long while to conditions that have been superseded by the actual material development of society.

3: On the basis of the developmental history of family relations, Morgan offered the first exhaustive investigation of the ancient clan associations that are found at the beginning of historical tradition among all civilized peoples – among the Greeks and Romans, the Celts and Germans, the ancient Israelites – and that still exist among most primitive peoples that survive today. He showed that these associations resting on blood relationship and common descent are on the one hand only a high

stage in the development of the family, while on the other hand they are the basis of the whole social life of peoples – in those long stretches of time when there was not yet a state in the modern sense, i.e. no organization of political compulsion on a fixed territorial basis. Each tribe, which itself consisted of a certain number of clan associations, or, as the Romans called them, *gentes*, had its own territory, which belonged to it as a whole, and in each tribe the clan association was the unit in which a common household was run communistically, in which there were no rich and poor, no idlers and workers, no masters and slaves, and where all public affairs were dealt with by the free vote and decision of all. As a living example of these relations that all peoples of present-day civilization went through, Morgan described in detail the *gens* organization of the American Indians, which was in full bloom at the time of the conquest of America by the Europeans:

All the members of an Iroquois gens were personally free, and they were bound to defend each other's freedom; they were equal in privileges and in personal rights, the sachem and chiefs claiming no superiority; and they were a brotherhood bound together by the ties of kin. Liberty, equality, and fraternity, though never formulated, were cardinal principles of the gens. These facts are material, because the gens was the unit of a social and governmental system, the foundation upon which Indian society was organized. A structure composed of such units would of necessity bear the impress of their character, for as the unit so the compound. It serves to explain that sense of independence and personal dignity universally an attribute of Indian character.

4: The gentile organization led social development to the threshold of civilization, which Morgan characterizes as that brief recent epoch of cultural history in which private property arose on the ruins of communism and with it a public organization of compulsion: the state and the exclusive dominance of man over woman in the state, in property right and in the family. In this relatively brief historical period fall the greatest and most rapid advances in production, science and art, but also the deepest fissure of society by class antagonism, the greatest misery for the mass of the people and their greatest enslavement. Here is Morgan's own judgment on our present-day civilization, with which he concludes the results of his classical investigation:

Since the advent of civilization, the outgrowth of property has been so immense, its forms so diversified, its uses so expanding and its management so intelligent in the interests of its owners, that it has become, on the part of the people, an unmanageable power. The human mind stands bewildered in the presence of its own creation. The time will come, nevertheless, when human intelligence will rise to the mastery over property, and define the relations of the state to the property it protects, as well as the obligations and the limits of the rights of its owners. The interests of society are paramount to individual interests, and the two must be brought into just and harmonious relations. A mere property career is not the final destiny of mankind, if progress is to be the law of the future as it has been of the past. The time which has passed away since civilization began is but a fragment of the past duration of man's existence; and but a fragment of the ages yet to come. The dissolution of society bids fair to become the termination of a career of which property is the end and aim; because such a career contains the elements of self-destruction. Democracy in government, brotherhood in society, equality in rights and privileges, and universal education, foreshadow the next higher plane of society to which experience, intelligence and knowledge are steadily tending. It will be a revival, in a higher form, of the liberty, equality and fraternity of the ancient *gentes*.

Morgan's achievement had wide-ranging significance for the knowledge of economic history. He placed the ancient communistic economy, which up till then had only been discovered in isolated individual cases and not explained, on the broad footing of a consistent and general cultural development, and particularly of the gens constitution. Primitive communism, with the democracy and social equality that went together with it, were thereby shown to be the cradle of social development. By this expansion of the horizon of the prehistoric past, he showed the whole present-day civilization, with private property, class rule, male supremacy, state compulsion and compulsory marriage, as simply a brief transition phase that, just as it arose itself from the dissolution of age-old communist society, is bound to make way in turn in the future for higher social forms. In this way, however, Morgan gave powerful new support to scientific socialism. While Marx and Engels showed by way of the economic analysis of capitalism the unavoidable historical transition of society to the communist world economy in the very near future, thus giving socialist efforts a firm scientific basis, Morgan in a certain sense supplied the work of Marx and Engels with a full and powerful underpinning, by demonstrating that a communist and democratic society, even if in different and more primitive forms, embraced the whole long past of human cultural history prior to present-day civilization. In this way, the noble survivals of the dim past offered a hand to the revolutionary efforts of the future, the circle of knowledge was harmoniously closed, and from this perspective the present-day world of class rule and exploitation, which presented itself as the one and only world of civilization, the highest aim of world history, appeared as a tiny transitional stage on the great forward march of human culture.

## 2.2

Morgan's "ancient society" formed as it were a subsequent introduction to the *Communist Manifesto* of Marx and Engels. It was only natural that it should provoke a reaction in bourgeois science. Within two or three decades from the mid-nineteenth century, the concept of primitive communism made its entry into science on all sides. As long as it was a question of honorable "Germanic antiquity," "Slavic tribal peculiarities," or the historical excavation of the Peruvian Inca state and the like, these discoveries did not overstep the realm of scientific curiosities, without contemporary significance or any direct connection to the interests and struggles of today's bourgeois society. So much so that staunch conservative or moderately liberal statesmen such as Ludwig von Maurer or Sir Henry Maine could claim the greatest merit for these discoveries. Soon, however, such a connection was established, in two different directions. Colonial policy, as we have seen, involved a collision of palpable material interests between the bourgeois world and primitive communist conditions. The more that the capitalist regime began to establish itself as all-powerful in Western Europe after the mid-nineteenth century, in the wake of the storms of the February revolution of 1848, the sharper this collision grew. At the same time, and precisely after the February revolution, a new enemy within the camp of bourgeois society, the revolutionary workers' movement, played an ever-greater role. After the June days of 1848 in Paris, the "red specter" never again vanished from the public stage, and in 1871 it reappeared in the dazzling light of the struggle of the Commune, to the fury of the French and international bourgeoisie. In the light of these brutal class struggles, primitive communism as the latest discovery of scientific research showed a dangerous face. The bourgeoisie, clearly affected in their class interests, scented an obscure connection between the ancient communist survivals that put up stubborn resistance in the colonial countries to the forward march of the profit-hungry "Europeanization" of the indigenous peoples, and the new gospel of revolutionary impetuosity of the

proletarian mass in the old capitalist countries. When the French National Assembly was deciding the fate of the unfortunate Arabs of Algeria in 1873, with a law on the compulsory introduction of private property, it was repeatedly said, in a gathering where the cowardice and bloodlust of the conquerors of the Paris Commune still trembled, that the ancient common property of the Arabs must at any cost be destroyed, "as a form that supports communist tendencies in people's minds." In Germany, meanwhile, the glories of the new German Empire, the "founders' time" and the first capitalist crash of the 1870s, with Bismarck's "blood and iron" regime and the anti-Socialist law, greatly inflamed class struggles and made even scientific research uncomfortable. The unmatched growth of German Social Democracy, as the theories of Marx and Engels become flesh, sharpened to an extraordinary degree the class instinct of bourgeois science in Germany, and a reaction against the theories of primitive communism now set in most forcefully. Cultural historians such as [Julius] Lippert and [Heinrich] Schurtz, political economists such as [Karl] Bücher, sociologists such as [Carl Nicolai] Starcke, [Edward] Westermarck and [Ernst] Grosse, now united in a keen combat against the doctrine of primitive communism, and particularly Morgan's theory of the development of the family and the previously universal prevalence of a kinship constitution with equality between the sexes and general democracy. This Herr Starcke, for example, in his *Primitive Familie* of 1888, called Morgan's hypotheses about kinship systems a "crazy dream ... not to say a feverish delusion." But more serious scholars, too, such as Lippert, author of the best cultural history that we have, took the field against Morgan. Basing themselves on obsolete and superficial reports of eighteenth-century missionaries who were completely untrained in economics or ethnology, and themselves quite ignorant of Morgan's wide-ranging studies, Lippert described the economic conditions of the North American Indians, the very same people whose life with its finely developed social organization Morgan had penetrated more thoroughly than anyone else, as evidence that among hunting peoples in general there is no common regulation of production and no "provision" for the totality and for the future, rather nothing but a lack of regulation and consciousness. The foolish distortion by narrow-minded European missionaries of the communist institutions that actually existed among the Indians of North America was taken over by Lippert quite uncritically, as shown for example by the following quotation he offers from the history of the mission of the Evangelical Brothers among the Indians of North America by [Georg Heinrich] Loskiel in 1789. "Many among them" (the American Indians), says our excellently oriented missionary,

are so lethargic that they do not plant for themselves, but rather rely completely on others' not refusing to share their stores with them. Since in this way the more diligent do not benefit from their work any more than the idlers, as time goes on ever less is planted. If a hard winter comes, so that deep snow prevents them from going hunting, it is easy for a general famine to arise, which often leads to many people dying. Hunger then leads them to eat the roots of grass and the inner bark of trees, particularly of young oaks.

"By a natural connection, therefore," Lippert adds to the words of his source, "the relapse into earlier carelessness leads to a relapse to an earlier way of life." And in this Indian society, in which no one "may refuse" to share his store of provisions with others, and in which an "Evangelical Brother" constructs in a quite evidently arbitrary fashion the inevitable division between the "diligent" and the "idlers" along European lines, Lippert finds the best proof *against* primitive communism:

Still less at such a stage does the older generation care to equip the younger generation for life. The Indian is already far removed from primitive man. As soon as someone has a tool, he has the concept of ownership, but only limited to this.

This concept the Indian already has at the lower stage; *but in this primitive ownership any communist trait is lacking; the development begins with the opposite.* [Emphasis R.L.]

Professor Bücher opposed to the primitive communist economy his “theory of individual search for food” on the part of primitive peoples, and the “immeasurable stretches of time” in which “people existed without working.” For the cultural historian Schurtz, however, Professor Bücher with his “insight of genius” is the prophet that he follows blindly. The most typical and energetic representative of reaction, however, against the dangerous doctrines of primitive communism and the gentile constitution, and against Morgan as the “church father of German socialism,” is Herr Ernst Grosse. At first sight, Grosse is himself a supporter of the materialist conception of history, i.e. he attributes various legal, kinship and intellectual forms of social life to the prevailing relations of production as their determining factors. “Only a few cultural historians,” he says in his *Anfänge der Kunst* [The Beginnings of the Arts] published in 1894,

seem to have grasped the full significance of production. It is however far more easy to underestimate this than to overestimate it. Economic activity is likewise the center of life of every cultural form; it influences all the other factors of culture in the deepest and most irresistible way, while being itself determined not so much by cultural factors as by natural ones – geographical and meteorological. It would be correct in a certain sense to call the form of production the primary cultural phenomenon, besides which all other branches of culture appear only as derivative and secondary; not of course in the sense that these other branches have arisen from the stem of production, but rather because, despite their independent origins, they have always been formed and developed under the overwhelming pressure of the prevailing economic factor.

It would seem at first sight that Grosse himself had learned his main ideas from the “church fathers of German Social Democracy,” Marx and Engels, even if he understandably takes care not to betray with a single word from which scientific corner he has taken over ready-made his superiority over “most cultural historians.” Indeed, he is even “more Catholic than the pope” in relation to the materialist conception of history. Whereas Engels – along with Marx the joint creator of the materialist conception of history – assumed for the development of family relations in primitive times through to the formation of today’s legally accredited compulsory marriage a progress of forms independent of economic relations, founded on the interest of preserving and multiplying the human species, Grosse goes a great deal further. He puts forward the theory that at all times the form of family is simply the direct product of the economic relations prevailing at the time. “Nowhere,” he says, “does the cultural significance of production appear with such clarity as in the history of the family. The strange forms of human families, which have inspired sociologists to still stranger hypotheses, appear surprisingly understandable as soon as they are considered in connection with the forms of production.”

Grosse’s book published in 1896, *Die Formen der Familie und die Formen der Wirtschaft* [The Forms of Family and the Forms of Economy], is devoted completely to proving this idea. At the same time, however, Grosse is a determined opponent of the doctrine of primitive communism. He too seeks to demonstrate that human social development began not with common property but with private property; he too strives, like Lippert and Bücher, to show from his standpoint that the further we go back in ancient history, the more exclusively and all-powerfully the “individual” and his “individual ownership” prevails. Of course, the discoveries of primitive village

communities in all parts of the world, and clan associations – or kinship groups as Grosse calls them – in connection with these, cannot be simply denied. It is just that Grosse has the clan organization – and this is his own particular theory – emerge as the framework of a communist economy only at a particular stage of development, i.e. with the lower agricultural stage, to dissolve again at the stage of higher agriculture and make way once more for “individual ownership.” In this way, Grosse triumphantly turns the historical perspective established by Morgan and Marx directly on its head. According to this, communism was the cradle of human cultural development, the form of economic relations that accompanied this development for measureless extents of time, only to decline and dissolve with civilization and make way for private property, this epoch of civilization facing in turn a rapid process of dissolution and a return to communism in the higher form of a socialist social order. According to Grosse, it was private property that accompanied the rise and development of culture, making way temporarily for communism only at a particular stage, that of lower agriculture. According to Marx and Engels, and likewise Morgan, the beginning and end point of cultural history is common property and social solidarity; according to Grosse and his colleagues of bourgeois science, it is the “individual” and his private property. But this is not enough. Grosse is not only an express opponent of Morgan and primitive communism, but of the whole developmental theory in the realm of social life, and pours scorn on those childish minds who seek to bring all phenomena of social life into a developmental series and conceive this as a unitary process, an advance of humanity from lower to higher forms of life. This fundamental idea, which serves as a basis for the whole of modern social science in general, and particularly for the conception of history and doctrine of scientific socialism, Herr Grosse combats as a typical bourgeois scholar, with all the power at his command. “*Humanity*,” he proclaims and emphasizes, “*in no way moves along a single line in a single direction; rather, its paths and goals are just as varied as are the conditions of life of different peoples.*” In the person of Grosse, therefore, bourgeois social science, in its reaction against the revolutionary consequences of its own discoveries, has reached the same point that bourgeois vulgar economics reached in its reaction to classical economics: the denial of the very lawfulness of social development. Let us examine this strange historical “materialism” of the latest champion to defeat Marx, Engels and Morgan.

Grosse has a good deal to say about “production,” he is always referring to the “character of production” as the determining factor that influences the whole of culture. But what does he understand by production and its character?

The economic form that prevails or dominates in a social group, the way in which the members of this group gain their subsistence, is a fact whose main features can be directly observed with sufficient assurance everywhere. We may remain much in doubt as to the religious and social notions of the Australians, but not the slightest doubt is possible as to the character of their production: the Australians are hunters and gatherers of plants. It is perhaps impossible to penetrate the mental cultural of the ancient Peruvians, but the fact that the citizens of the Inca empire were an agricultural people is open for anyone to see.

By “production” and its “character,” therefore, Grosse simply means the particular main source of a people’s sustenance. Hunting, fishing, pastoralism, agriculture – these are the “relations of production” that have a determining effect on all other cultural relations of a people. The first thing to note here is that, if no more than this meager discovery is involved, Herr Grosse’s exaggeration about “most cultures” is certainly quite unfounded. The knowledge that the particular main source that a given people draw on for their sustenance is extraordinarily important for their

cultural development, is in no way Herr Grosse's spanking new discovery, but rather an age-old and honorable element in all doctrines of cultural history. This knowledge led in particular to the conventional division of peoples into hunters, pastoralists and agriculturalists, which is found in all cultural histories and which Herr Grosse finally adopts himself after a great deal of to-ing and fro-ing. But this knowledge is not only quite old, it is also quite false – at least in the bland version of it that Grosse offers. If all we know is that a people lives from hunting, pastoralism or agriculture, we do not yet know anything about its relations of production or the rest of its culture. The Hottentots in Southwest Africa today, whose herds, which formed their previous source of livelihood, have been taken away by the Germans and who have been supplied with modern shotguns, have been forcibly made into hunters. The relations of production of this “hunting people,” however, have nothing at all in common with those of the Indian hunters of California, who still live in their primitive seclusion from the world, and are themselves very different from the hunting companies of Canada, which supply American and European capitalists with tradable animal pelts for the fur trade. The pastoralists of Peru, who before the Spanish invasion kept their llamas communistically in the cordilleras under Inca rule, the Arab nomads with their patriarchal herds in Africa or the Arabian peninsula, the present-day peasants in the Swiss, Bavarian and Tyrolean alps, who pursue their long-established “*Alpenbücher*” in the midst of the capitalist world, the half-wild Roman slaves who kept the enormous herds of their masters in the wastes of Apulia, the farmers in today's Argentina who fatten up immense herds for the Ohio slaughterhouses and processed-meat factories – these are all examples of “pastoralism,” each presenting a totally different type of production and culture. As for “agriculture,” this embraces such a broad scale of the most varying kinds of economy and levels of culture – from the ancient Indian clan community to the modern latifundium, from the tiny peasant holding to the knightly estates east of the Elbe, from the English tenant system to Romanian “*jobbaggio*,” from Chinese peasant horticulture to Brazilian slave plantations, from the women's hoe-tillage of Haiti to the giant North American farms with steam and electric machinery – so that Herr Grosse's showy revelations about the significance of production only display a glaring lack of understanding of what “production” really means. It was precisely against this kind of crude and coarse “materialism,” which takes into consideration only the external natural conditions of production and culture, and which found its best and most exhaustive expression in the English sociologist [Henry Thomas] Buckle, that Marx and Engels directed themselves. What is decisive for the economic and cultural conditions of people is not the external natural source of their sustenance, but rather the connections that people form between one another in their labor. The *social* connections of production determine the question: what form of production prevails among a given people? Only when *this* aspect of production has been thoroughly grasped is it possible to understand the determining influences of a people's production on its family relations, its concepts of right, its religious ideas and the development of its arts. Most European observers, however, find it extraordinarily difficult to penetrate the social relations of production of so-called primitive peoples. In contrast to Herr Grosse, who believes he already knows a world when he knows nothing more than that the Peruvian Incas were an agricultural people, Sir Henry Maine says: “The characteristic error of the direct observer of unfamiliar social or juridical phenomena is to compare them too hastily with familiar phenomena apparently of the same kind.”

The connection between forms of family and “forms of production” understood in this way is expressed in the following terms by Herr Grosse:

At the lowest stage, people feed themselves by means of hunting – in the broadest sense of the term – and by the gathering of plants. This most primitive form of production is also associated with the most primitive form of division of labor – the physiologically based division between the two sexes. While the provision of animal food falls to the man, the foraging of roots and fruits is the task of the woman. Under these conditions, the economic center of gravity lies almost always on the male side, and as a consequence the primitive form of family everywhere bears an unmistakably patriarchal character. Whatever the ideas about blood relationships may be, primitive man stands in fact as lord and master among his wives and children, even if he does not recognize his progeny as blood relations. From this lowest stage, production can continue in two directions, according to whether the female or the male branch of the economy undergoes a further development. But which of these two branches becomes the stem depends above all on the natural conditions in which the primitive group lives. If the flora and climate of the land immediately suggest and reward the conservation and subsequent care of food plants, then the female branch of plant gathering gradually develops into plant cultivation. In fact, with primitive agricultural peoples this occupation is always found in women's hands. The economic center of gravity accordingly shifts to the female side, and as a result we find among all primitive societies that support themselves predominantly by agriculture a matriarchal family form or at least the traces of this. The woman stands now at the center of the family as the main provider and landowner. The construction of a matriarchy in the strict sense, however, the actual rule of women, occurs only in very infrequent cases – in particular where the social group is not exposed to attacks by external enemies. In all other cases, the man regains as protector the supremacy he lost as provider. In this way, the family forms develop that prevail among most agricultural peoples, presenting a compromise between the matriarchal and the patriarchal direction. A large part of humanity, however, has undergone a completely different development. Those hunting peoples living in regions that place difficulties in the way of agriculture, while they offer animals that are suitable and profitable for domestication, have advanced not like the former to plant cultivation, but instead to that of animals. Livestock breeding, however, which gradually developed out of hunting, appears exactly like its predecessor as a privilege of the man. In this way, the economic superiority of the male side that is already present is strengthened, and this relationship finds consistent expression in the fact that all peoples who feed themselves principally from livestock stand under the rule of the patriarchal family form. Besides, the commanding position of the man in stock-raising societies is further increased by another circumstance that is similarly connected directly with the form of their production. Stock-raising peoples are always inclined to warlike entanglements and consequently to the development of a centralized organization for warfare. The unavoidable result is an extreme form of patriarchy in which woman becomes a slave without rights under a husband endowed with despotic power.

But those peaceful agricultural peoples among whom women rules as the breadwinner in the family, or at least enjoys to some extent a freer position, are generally subjugated by the warlike stock-raisers and take over from them, along with other customs, the despotic rule of the man in the family. “And so we find all civilized nations today under the sign of a more or less sharply marked patriarchal family form.”

The remarkable historical destinies of the human family depicted here, in their dependence on forms of production, thus follow the schema: hunting period – individual family with male supremacy; stock-raising period = individual family with still

worse male supremacy; period of lower agriculture = individual family with sporadic female supremacy, but later subjection of agriculturalists by stock-raisers, i.e. here individual family with male supremacy; and as the apex of the edifice, period of higher agriculture = individual family with male supremacy. Herr Grosse, we can see, is very serious in his rejection of modern developmental theory. For him there is no development of family forms at all. History begins and ends with the individual family and male supremacy. What Grosse does not notice is that after he has showily promised to explain the origin of family forms from forms of production, he actually presupposes the family form as something always already given, i.e. as the individual family, as a modern household, and assumes this unchanged under *all* forms of production. What he actually pursues as different “family forms” with the change of epochs is simply the question of the relationship of one sex to the other. Male supremacy or female supremacy – this is the “family form” according to Grosse, which in a completely harmonious manner he reduces as crudely to an external characteristic as he simplifies the “form of production” to the question of hunting, stock-raising or agriculture. That “male supremacy” or “female supremacy” can embrace dozens of different family forms, that there can be different kinship systems within the same cultural stage of “hunters” – none of this exists for Herr Grosse, as little as does the question of the social relations within a form of production. The reciprocal relationship of family forms and production forms here comes down to the following ingenious “materialism”: the two sexes are seen from the start as business competitors. Whoever feeds the family also rules in the family, so the philistine believes, and so also does the civil code. The bad luck of the female sex, however, is that only exceptionally in history – at the low stage of tillage agriculture – were they the leading provider of food, and even then they generally had to give way to the warlike male sex. And so the history of the family form is basically no more than a history of women’s slavery, in all “forms of production” and despite all forms of production. The only connection between family forms and economic forms is thus in the end simply the slight difference between somewhat milder and somewhat severer forms of male supremacy. In conclusion, the first message of redemption for enslaved woman in the history of human culture appears as the Christian church, which at least knows no distinction between the two sexes in the blue ether of heaven, even if it still does so on earth. “By this doctrine, Christianity endowed women with an elevated position before which the arbitrary will of the male must bow,” Herr Grosse concludes, finally, after wandering far and wide on the waters of economic history, dropping anchor in the harbor of the Christian church. How “surprisingly understandable,” then, those forms of family appear that have inspired sociologists to “strange hypotheses,” when they are viewed “in connection with the forms of production”!

The most striking thing, however, about this history of the “family form” is the treatment of the clan association or kin group, as Grosse calls it. We have seen the tremendous role that clan associations played in social life at earlier levels of culture. We have seen – particularly in the wake of Morgan’s epoch-making investigations – that they were the actual social form of people before the development of the territorial state, and continued for a long while after to be both the economic unit and the religious community. How do these facts stand in the light of the remarkable history of Grosse’s “family forms”? Grosse evidently cannot simply deny the existence of a kinship constitution among all primitive peoples. But since this contradicts his scheme of individual families and the dominance of private property, he seeks to reduce their significance as close to zero as he can, except for the period of lower agriculture: “The power of kinship arose with lower agriculture, and it decays with it as well. Among all higher agricultural peoples, the kinship order has already either

disappeared or in the process of doing so.” Grosse thus lets the “kinship power” and its communist economy burst into the midst of economic and family history like a pistol shot, simply to have it fall back and dissolve right away. How the origin and existence of the kinship order and its functions are to be explained in the millennia of cultural development before lower agriculture, since for Grosse they had at this time neither an economic function nor a social significance vis-à-vis the individual family, and what these kinships were that led their shadowy existence among hunters and stock-raisers against the background of separate families with private housekeeping, remains a private secret for Herr Grosse. Just as little is he concerned that his story stands in blatant contradiction with certain generally recognized facts. Kin groups are seen as acquiring importance only with lower agriculture; they are then generally linked with the institution of blood revenge, with religious observance and very frequently with animal names. All these things however are far older than agriculture, and must therefore according to Grosse’s own theory derive from relations of production of far more primitive cultural periods. Grosse explains the kinship order of higher agriculturalists, such as the ancient Germans, Celts and Indians, as a legacy from the period of lower agriculture, when they had their roots in the female rural economy. But the higher agriculture of cultured peoples did not arise from female tilling, but rather from stock raising, which was already pursued by men, and where consequently, according to Grosse, the kin groups were without significance in relation to the patriarchal family economy. According to Grosse, the kinship order is meaningless with these nomadic pastoralists, and only comes to prevail for a while with settlement and agriculture. According to the most respected scholars, however, the agrarian constitution followed a quite opposite direction: as long as pastoralists followed a nomadic way of life, kinship associations were the most powerful in every respect, whereas with settlement and agriculture the kinship constitution begins to loosen and decline in relation to the local association of agriculturalists, whose community of interest is stronger than the traditional blood ties, and the kinship community is transformed into the so-called neighborhood community. This was the view of Ludwig von Maurer, Kovalevsky, Henry Maine and [Emile] Laveleye, and the same phenomenon has more recently been noted by [Konstantin] Kaufman among the Kyrgyz and Yakuts of Central Asia.

We should finally mention that Grosse is understandably unable, from his point of view, to offer the slightest explanation of the most important phenomena in the field of primitive family relations, such as matriarchy (mother-right), and confines himself to shrugging his shoulders and declaring matriarchy “the rarest curiosity in sociology”; that he makes the incredible assertion that among the Australians ideas of blood relationship had no influence on their family systems, and the still more incredible assertion that among the ancient Peruvians there was no trace of kinship groups; that he bases his ideas about the agrarian constitution of the Germanic people on Laveleye’s obsolete and unreliable material; and that finally he echoes the same Laveleye’s fabulous assertion that “still today” the Russian village community that prevails among a population of 35 million forms a kinship community with blood relationship, a “family community,” which is about as true as it would be to claim that all the inhabitants of Berlin formed “still today” a great family community. All this specially enables Grosse to treat the “church father of German Social Democracy,” Morgan, as a dead dog.

The above examination of Grosse’s treatment of family forms and kinship gives an idea of how he treats the “forms of economy.” The entire proof that he directs against the assumption of primitive communism rests on “yes, but,” with unchallengeable facts being admitted, but others contrasted to them in such a way that

what is unwanted is diminished, what is wanted is exaggerated, and the result correspondingly dressed up to look good.

Grosse himself reports of the lower hunters:

Individual possession, which among all lower societies consists principally if not exclusively in movable goods, is here almost completely insignificant; the most valuable piece of property, however, the hunting ground, belongs to all the men of a tribe in common. It follows that the proceeds of hunting have to be divided from time to time among all members of a horde. This is reported for example among the Botocudos (Ehrenreich, "Über die Botocudos," in *Zeitschrift für Ethnologie*, XIX, 311). In some parts of Australia, similar customs exist. Thus all members of a primitive group are and remain more or less equally poor. Since there are no essential differences of wealth, a main source for the origin of tribal differences is lacking. In general, all adult men have equal rights within the tribe.

In the same way, "membership of a kin group has in some (!) connections a fundamental influence on the life of the lower hunter. It ascribes him the right to use a particular hunting ground, and it gives him the right and duty of protection and revenge" (this page). Similarly, Grosse concedes the possibility of a kinship communism among the lower hunters of central California.

But for all that, the kinship group here is loose and weak, there is no economic community. "The mode of production of the Arctic hunters however is so completely individualist that the kinship connection is scarcely able to resist centrifugal tendencies." Likewise, among the Australians, the use of the common hunting land "in hunting and gathering is generally pursued not at all in common, but each individual family conducts a separate economy." And in general, "the lack of food does not permit lasting unification of large groups, but forces them to disperse" (this page).

Let us turn then to the higher hunters.

*It is true that* "land among the higher hunters is indeed as a rule the common property of the tribe or kinship group" (this page), true that we directly find at this stage large buildings as common quarters for such groups (this page), while we also learn: "The extensive dams and defenses that [Alexander] Mackenzie saw in the rivers of the Haidah and that in his estimation must have required the work of the whole tribe, were supervised by the local chief, without whose permission no one was allowed to fish. They were thus very likely seen as the property of the whole village community, to which the fishing waters and hunting grounds undividedly belonged" (this page).

*But* "movable property here has acquired such an extension and importance that despite the equal possession of land a great inequality of wealth can develop" (this page), and "as a rule, food, so far as we can see, is no more seen as common property than are other movable goods. Thus the domestic kinship groups can only to a very limited sense be described as economic communities" (this page).

We move then to the next higher cultural stage, that of nomadic stock-raising (pastoralism). Here again Grosse tells us:

*It is true that* "even the most restless nomads do not roam in unbounded spaces, they all rather move within a quite firmly limited region, which is seen as the property of their tribe and which is frequently divided again among the individual separate families and kin groups". Furthermore: "The land in almost the whole region of stock-raising is the common property of the tribe or kin group". "The land is naturally the common property of all kin group members and as

such is divided by the kin group or its chief between the different families for their use”.

*But* “the land is not the most valuable possession of the nomad. His greatest wealth is his herd, and livestock is always (!) the separate property of the individual families. The stock-raising kin group has never (!) developed into a community of economy and possession.”

Finally we have the lower agriculturalists. Here, it is true for the first time that the kinship group is admitted to be a completely communist economic community.

*But* – and here this “but” follows hard on the heels – here too “industry undermines social equality” (when Grosse talks of industry he naturally means commodity production, being unable to differentiate the one from the other), “creating a movable individual property, which prevails over the common property in land and destroys this.” And despite the community of land, “the separation between rich and poor already exists here.” Communism is thus reduced to a brief interval of economic history, which moreover begins with private property and ends with private property. *Quod erat demonstrandum.*

### 2.3

In order to assess the value of Grosse’s schema, we shall turn directly to the facts. Let us examine the economic form of the most backward peoples – if only with a fleeting glance. Who are these?

Grosse calls them the “lower hunters,” and says of them:

The lower hunting peoples today form only a small fragment of humanity. Their imperfect and unfruitful form of production condemns them to numerical weakness and cultural poverty, and they are everywhere on the retreat in the face of larger and stronger peoples, now continuing their existence in inaccessible primal forests and inhospitable deserts. A large part of these wretched tribes belong to pygmy races. It is precisely the weakest peoples who are forced by the stronger in the struggle for existence into the regions most hostile to culture, and thereby condemned also to cultural stagnation. Yet representatives of the oldest economic form are still found today on all continents with the exception of Europe. Africa houses many such hunting peoples who have grown small; unfortunately, however, we so far have information only on one of these, the Bushmen of the Kalahari desert [in German South-West Africa – R.L.]; the lives of the other pygmy tribes are still hidden in the darkness of the central African forests. If we turn from Africa to the East, we find first of all in central Ceylon [off the southern tip of the Indian peninsula – R.L.] the dwarf hunting people of the Vedda, then on the Andaman islands the Mincopie, in inland Sumatra the Kubu and in the mountain wildernesses of the Philippines the Aeta – three tribes who again belong to the small races. The whole of the Australian continent was peopled with lower hunting peoples before the European settlement; and if in the last half of this century the indigenous peoples have been driven out of the greater part of the coastal regions by the colonists, they still persist in the deserts of the hinterland. In America, finally, from the extreme south to the far north, we find a whole series of groups of an extreme cultural poverty. In the rain- and storm-lashed mountain wastes around Cape Horn [the southern tip of South America – R.L.] dwell the inhabitants of Tierra del Fuego, whom more than one observer has declared to be the poorest and crudest of all humans. Besides the Botocudos with their evil reputation, many other hunting tribes still wander through the forests of Brazil, including the Bororó who are somewhat familiar to us thanks to

the studies of [Karl] von den Steinen. Central California [on the west coast of North America – R.L.] has a number of tribes at a level only little above the most wretched peoples of Australia.

Without continuing any further with Grosse, who strangely also counts the Eskimos among the lowest peoples, we shall now dwell on some of the tribes mentioned above in search of traces of a socially planned organization of labor.

Let us turn first of all to the Australian cannibals, who according to several scholars exist at the lowest level of culture that the human race displays on this earth. Among these aborigines we particularly find the already mentioned primitive division of labor between men and women; the latter principally see to vegetable food as well as wood and water, while the men are responsible for hunting and providing animal food.

We also find here a picture of social labor that is the direct opposite of the “individual search for food” and offers an example right away of how the most primitive societies see to it that all labor-power needed is diligently applied, for example:

All the males in the Chepara tribe are expected to provide food, if not sick. If a man is lazy and stays in the camp, he is jeered at and insulted by the others. Men, women, and children leave the camp early in the morning for the purpose of hunting for food where they think that game will be plentiful. The men and women carry the various catches to the nearest water hole, where fires are made and game is cooked. The men, women, and children all eat together amicably, the food being distributed among them by the old men equally to all the men, women, and children. After the meal, the women carry what is left of the cooked food to the camp, men hunting by the way.

Now some further information on how production is planned among the Australian aborigines. This is in fact extremely complicated, and worked out in the utmost detail. Each Australian tribe is divided into a number of groups, each one being named after an animal or a plant that it honors, and possessing a demarcated part of the tribe’s total territory. One particular territory thus belongs for example to the kangaroo-men, another to the emu-men (the emu is a large bird similar to an ostrich), a third to the snake-men (the Australians even eat snakes), etc. According to the findings of the most recent scientific research, these “totems,” as we have already mentioned in another connection, are almost always animals and plants that the aborigines make use of as food. Each of these groups has its chief, who takes the lead in the hunt. The animal or plant name and the cult corresponding to it are not an empty form: each particular group of aborigines is in fact obliged to provide the animal or plant food of its name, and to take responsibility for the supply and continuation of this source of food. And each of these groups does this not for itself, but above all for the *other* groups in the tribe. The kangaroo-men, for example, are obliged to provide kangaroo meat for the rest of the tribe, the snake-men to provide snakes, the caterpillar-men a certain caterpillar that is seen as a delicacy, and so on. All this is bound up with strict religious observances and great ceremonies. It is almost a universal rule, for example, that the people of a particular group may not eat their own animal or plant totem, or only in great moderation, although they must provide this for others. A man in the snake-group, for example, if he kills a snake – even in times of great hunger – must refrain from eating it himself, but rather bring it back to the camp for the others. In the same way, an emu-man will only consume emu meat with extreme moderation, and never take the eggs and fat of the bird – which are used as a remedy – for himself, but hand them over to his fellow tribes people. On the other hand, other groups may not hunt or gather and consume the animal or plant without

the permission of the corresponding totem men. Each year, a festive ceremony is held by each group, with the object of securing the multiplication of the totemic animal or plant (by way of singing, wind instruments and various religious ceremonies), with only the other groups being allowed to eat it. The time for such ceremonies to take place is decided for each group by its chief, who is also in charge of the ceremony. And this time is directly bound up with the conditions of production. In central Australia, animals and plants suffer from a long dry season, while the short wet season leads to an increase in animal life and a vigorous plant growth. Most of the ceremonies of the totem groups are then held as the good season approaches. According to [Friedrich] Ratzel, it is a "comic misunderstanding" to say that the aborigines call themselves after their most important foodstuffs. In the system of totem groups briefly indicated above, however, anyone can already recognize at first glance an elaborate organization of social production. The individual totem groups are evidently just limbs in an extensive system of division of labor. All the groups together form an ordered and planned whole, and each group also conducts itself in a quite ordered and planned way under a unitary leadership. And the fact that this system of production assumes a religious form, the form of various food taboos, ceremonies, etc., merely shows that this production form is of *age-old date*, that this organization has existed among the aborigines for many centuries or even millennia, so that it has had time to ossify into rigid formulas, and what originally were mere expedencies for the purpose of producing and providing food have become articles of a belief in secret connections. These connections, discovered by the Englishmen [Walter Baldwin] Spencer and [Francis James] Gillen, are also confirmed by another scholar, [James George] Frazer, who expressly says, for example:

We have to bear in mind that the various totemic groups in totemic society do not live in isolation from one another; they intermingle and practice their magic powers for the common good. In the original system, if we are not mistaken, the kangaroo-men hunted and killed kangaroo for the benefit of all other totemic groups as well as their own, and it would have been the same with the caterpillar totem, the hawk totem and the rest. Under the new system [i.e. in the religious form – R.L.], in which a totemic group was forbidden to kill and eat its own totem, the kangaroo-men continued to provide kangaroos, but no longer for their own consumption; the emu-men continued to see to the multiplication of emus, although they were no longer allowed to enjoy emu meat; the caterpillar-men continued their magic arts for the procreation of caterpillars, even if these delicacies were now destined for other stomachs.

In sum, what appears to us today as a religious system was in age-old times a simple system of organized social production with a far-reaching division of labor.

If we now turn to the distribution of products among the Australian aborigines, we find an even more detailed and complex system. Each part of a wild animal killed, each bird egg found and each handful of fruit gathered, is carefully allocated according to quite firm rules to particular members of the society for their consumption. For example, what the women gather in the way of plant food belongs to them and their children. The proceeds of the men's hunting is divided according to rules that differ from tribe to tribe, but which in all tribes are extremely detailed. The English scholar [Alfred William] Howitt, for example, who studied the populations in southeastern Australia, chiefly in the state of Victoria, found the following kind of distribution:

It is assumed that a man kills a kangaroo at a distance from the camp. Two other men are with him but are too late to assist in killing it. The distance from

the camp being considerable, the kangaroo is cooked before being carried home. While the first man lights a fire, the others cut up the game. The three cook the entrails and eat them. The following distribution is made. Men 2 and 3 receive one leg and the tail, and one leg and part of the haunch, because they were present, and had helped to cut the game up. Man number 1 received the remainder that he carried to the camp. The head and back are taken by his wife to her parents, the remainder goes to his parents. If he is short of meat, he keeps a little, but if, for instance, he has an opossum, he gives it all away. His mother, if she has caught some fish, may give him some, or his wife's parents may give *him some of their share*; and they also would in such a case give her some next morning. *Children in all cases well cared for by their grandparents.*

The following rules prevail in one tribe. With a kangaroo, for example, the hunter takes a piece near the loin, the father receives the backbone, ribs, shoulder and head; the mother the right leg and the younger brother the left foreleg. The father gives the tail and another piece of the back to his parents, the mother gives a part of the thigh and the shin to her parents. With a koala, the hunter keeps the left ribs for himself, the father receives the right hind-leg and mother the left, the elder brother receives the right foreleg and the younger brother the left. The elder sister receives a piece along the backbone, the younger one the liver. The right rib portion belongs to the father's brother, a side piece to the maternal uncle, and the head goes to the young men's camp.

In another tribe, however, the food obtained is always divided equally among those present. If a wallaby (a smaller species of kangaroo) is killed, and there are ten or twelve people, each of them receives a part of the animal. None of them touches the animal or any part of it until they have been given their portion by the hunter. If the person who killed the animal happens not to be present while it is being cooked, no one touches it until he returns. The women receive equal portions to the men, and children are carefully seen to by both parents.

These various modes of distribution, which differ from one tribe to another, also reveal their age-old character by the way that they appear in ritual forms and are summed up in sayings. This expresses a tradition that may go back several millennia, and is seen by each generation as an unbreakable and strictly maintained rule that has been handed down. But two particular features of this system stand out very clearly. Above all, among the Australian aborigines – perhaps those humans who have remained most backward – it is not only production but also consumption that is planned and organized as a common social affair; and secondly, this plan evidently aims at the provisioning and security of all members of society, according both to their needs in terms of food and to their productive power. Under all conditions, special care is taken of old people, who in turn care look after the small children along with the mothers. The entire economic life of the Australian aborigines – production, division of labor, distribution of foodstuffs – has thus been planned and organized in the strictest way from earliest times by way of firm rules.

From Australia we turn to North America. Here in the West, the sparse remnants of Indians living on the Isla del Tiburón in the Gulf of California and a narrow strip of the adjacent mainland present a particular interest, thanks to their complete isolation and their hostility to outsiders, which is how they have preserved their age-old customs in a very pure state. In 1895, United States scientists undertook an expedition to study this tribe, and the results of this were described by the American [William John] McGee. According to his report, the Seri Indian tribe – the name of this now very sparse people – is divided into four groups, each of these being named

after an animal. The two largest are the pelican group and the turtle group. The customs, practices and rules of these groups in relation to their totemic animals are kept strictly secret, and were very hard to ascertain. But if we learn right away that the diet of these Indians consists principally of the meat of pelicans, turtles, fish and other sea creatures, and bear in mind the previously described system of totemic groups among the Australian aborigines, we may assume with a high degree of certainty that also among these Indians off the Californian coast the secret cult of totemic animals and the division of the tribe into corresponding groups expresses nothing other than the survivals of an age-old, strictly organized system of production with a division of labor, that has ossified into religious symbols. This view is reinforced, for example, by the fact that the supreme protective spirit of the Seri Indians is the pelican, but it is also this bird that forms the basis of that tribe's economic existence. Pelican meat is the main food, pelican skins are used as clothing and bedding, as shields, and as the most important articles of exchange with outsiders. The Seri's most important form of labor, hunting, is still practiced according to strict rules. Hunting pelicans, for example, is a well-organized common undertaking "with at least a semi-ceremonial character." Pelican hunts may take place only at particular times, in such a way that the birds are protected during their breeding season, so as to secure their progeny. "The butchery [the massive slaughter of these top-heavy birds presents no difficulties – R.L.] is followed by a gluttonous feast, in which the half-famished families gorge the tenderer parts in the darkness, and noisily carouse in the carnage until overcome by slumber. Next day the matrons select the carcasses of least injured plumage and carefully remove the skins." The feast lasts for several days, with various ceremonies being associated with it. This "gluttonous feast," therefore, and the noisy "gorging in darkness," which Professor Bücher would certainly note as a sign of purely animal behavior, is actually very well organized – its ceremonial character is sufficient proof of this. The planned character of the hunt is combined with strict regulation of distribution and consumption. The common eating and drinking proceeds in a definite sequence: first comes the chief (who is also leader of the hunt), then the other warriors in order of age, then the oldest woman followed by her daughters in order of age, and finally the children also by order of age, with the girls, particularly those approaching marriageable age, enjoying certain preference by the connivance of the women:

[E]very member of the family or clan is entitled to necessary food and raiment, and it is the duty of every other person to see that the need is supplied. The stress of this duty is graded partly by proximity (so that, other things equal, it begins with the nearest person), but chiefly by standing and responsibility in the group (which again are reckoned as equivalents of age), whereby it becomes the business of the first at the feast to see that enough is left over to supply all below him; and this duty passes down the line in such wise as to protect the interests of the helpless infant ...

From South America, we have the testimony of Professor [Karl] von den Steinen about the wild Indian tribe of the Bororó in Brazil. Here again we have above all the typical division of labor. The women obtain plant food, look for roots with a pointed stick, climb with great agility up palm trees, collecting nuts and cutting the palm kernels, seeking fruits and the like. The women also prepare plant food, and manufacture the cooking pots. When the women return home, they give the men fruit, etc. and receive whatever meat is left over. Distribution and consumption are strictly regulated. According to von den Steinen:

If Bororó etiquette in no way prevents them from sharing their meals, they have other strange customs for this, which clearly show that tribes where the proceeds

of hunting are scarce have to search somehow for ways to forestall quarrels and disputes. One rule here is particularly striking: *no one cooks the game that he has shot himself, but gives it to someone else to cook!* The same prudent foresight is practiced for valuable hides and teeth. If a jaguar is killed, a great feast is held and the meat is eaten. But *it is not the hunter* who receives the hide and the teeth, but rather ... the closest relative of the tribesman or woman who most recently died. The hunter is honored, and is presented by everyone with macaw feathers [the Bororós' most prized ornament – R.L.] and bows decorated by oassú ribbons. The most important measure to preserve peace, however, is bound up with the office of *medicine man*,

or, as European like to say in such cases, the magician or priest. This person must be in attendance at the killing of any animal, but it is particularly important that every animal killed, as well as plant food, is only distributed and consumed by way of particular ceremonies. Hunting takes place on the initiative and under the leadership of the chief. The young and unmarried men live together in the "men's house," where they work together, produce weapons, tools and ornaments, spin, hold wrestling matches and also eat together, in strict discipline and order, as we have already mentioned above. "A family one of whose members dies," says von den Steinen, "suffers a great loss

For everything that the dead person used is burned, thrown into the river or placed in the bone-basket, so that he will have no occasion to return. The hut is then completely evacuated. But the bereaved are given presents, bows and arrows are made for them, and there is also the custom that, if a jaguar is killed, the hide is given *"to the brother of the last woman who died or to the uncle of the last man who died."*

A fully worked-out plan and social organization thus prevails in both production and distribution.

If we pass through the American mainland down to the most southerly point, we find here a primitive people at the lowest level of culture, the Fuegians, who inhabit the inhospitable archipelago at the tip of South America, the first information on them being brought back to Europe in the seventeenth century. In 1698, the French government sent an expedition to the southern ocean, in response to French pirates who had been plying their trade there for many years. One of the engineers on board kept a diary that has survived, and contains the following summary information about the Fuegians:

Each family, that is, father and mother, along with those children not yet married, has its pirogue (a canoe made of tree bark), in which they carry everything they need. They sleep at night wherever they find themselves. If there is no ready-made hut, then they build one ... They make a small fire in the middle, around which they lie together on grass. When they feel hungry, they cook shellfish, which the eldest man among them distributes in equal portions. The main occupation of the men, indeed their duty, consists in building huts, hunting and fishing; looking after the canoes and gathering shellfish falls to the women ... They hunt for whales in the following manner: Five or six canoes put out to sea together, and when they find a whale they pursue it and harpoon it with large arrows whose points made of bone or stone are very skillfully cut ... When they kill an animal or a bird, or catch the fish and shellfish that are their regular food, they divide these among all the families, since they are ahead of us in possessing almost all their combined means of subsistence in common.

From America we turn to Asia. Here we are told the following about the pygmy tribes of the Mincopie on the Andaman archipelago (in the Gulf of Bengal) by the English researcher E[dward] H[orace] Man, who spent twelve years among them and obtained a more exact knowledge of them than any other European.

The Mincopie are divided into nine tribes, each consisting of a considerable number of small groups of between thirty and fifty individuals, though sometimes as many as 300. Each of these groups has its leader, and the whole tribe has a chief who stands above those of the individual communities. Yet his authority is very limited; it consists principally in holding assemblies of all the communities that belong to his tribe. He is the leader in hunting and fishing and on migrations, and he also settles disputes. Work within each community is done in common, with a division of labor between men and women. Hunting, fishing, obtaining honey, constructing canoes, bows and arrows and other tools falls to the men, while the women bring in wood and water as well as planting food, producing ornaments and cooking. It is the duty of all men and women who stay at home to care for children, the sick and the aged, and to keep the fires going in the various huts; each person capable of work is obliged to work for themselves and the community, and it is also the custom to make sure that there is always a reserve of food to provide for any strangers who may arrive. Small children, the weak and the aged are the special object of general attention, and they have an even better deal in terms of the satisfaction of their daily needs than do the other members of the society.

The consumption of food is governed by definite rules. A married man may only eat together with other married men or bachelors, never with other women or with his own household, unless he is already of a prescribed age. Unmarried people take their meals separately – male youths in one place, girls in another.

The preparation of meals is the customary duty of the women, who see to this while the men are away. But if they are particularly occupied with obtaining wood and water, as on feast days or after a particularly successful hunt, then one of the men does the cooking, and when this is half finished, divides it among those present and leaves the further preparation to them, which they do on their own hearths. If the chief is present, he receives the first and indeed the lion's share, then come the men and after them the women and children in succession; what remains belongs to the distributor.

In the manufacture of weapons, tools and other articles, the Mincopie generally spend a remarkable time and great diligence, being able to spend hours on end laboriously working a piece of iron with a stone hammer in order to form a spear or arrowhead, to improve the shape of a bow, etc. They devote themselves to these tasks even when no immediate or foreseeable necessity drives them to such efforts. They cannot be accused of greed – it is said of them – as they often present (a misunderstood European expression for “distribute”) the best that they possess, and preserve for their own use objects that are in no way better worked, still less making better ones for themselves.

We conclude this series of examples with a sample from the life of the primitive peoples of Africa. Here, the pygmy Bushmen of the Kalahari desert are frequently taken as an example of extreme backwardness and the lowest stage of human culture. German, English and French researchers agree in saying that the Bushmen live in groups (hordes), conducting their economic life in common. Their small bands are marked by complete equality, in respect of means of subsistence, weapons, etc. The foodstuffs that they find on their travels are collected in sacks that are emptied out in the camp. As the German scholar [Siegfried] Passarge reports: “The day's

harvest then makes its appearance: roots, tubers, fruits, grubs, rhinoceros birds, bullfrogs, turtles, grasshoppers, even snakes and iguanas.” The booty is then divided among all.

The systematic gathering of vegetables, for example fruits, roots, tubers, etc., as well as smaller animals, is the business of women. They have to supply the horde with supplies of this kind, and the children help with this. Men will occasionally also bring back something that they accidentally happen upon, though for them gathering is only a secondary matter. The main task of men is hunting.

The proceeds of the hunt are consumed by the horde in common. Space and food are provided around the common fire for traveling Bushmen from allied hordes. Passarge, as a good European with the intellectual spectacles of bourgeois society, immediately remarks on the “exaggerated virtue” with which the Bushmen share the last morsel with others – this being a token of their cultural incapability!

It is apparent, then, that the most primitive peoples, and particularly those far removed from settled existence and agriculture, who stand in a sense at the starting point of the chain of economic development as far as this is known to us from direct observation, offer a quite different picture of relations than we see in Herr Grosse’s schema. What we have on all sides is not “dispersed” and “separate” household economies, but rather strictly regulated economic communities with typical features of communist organization. This is a question of the “lower hunters.” As for the “higher hunters,” the picture of the kinship economy of the Iroquois, as described for us in detail by Morgan, is quite sufficient. But stock-raisers, too, provide sufficient material to give the lie to Grosse’s bold contentions.

The agricultural mark community, accordingly, is not the only primitive communist organization that we find in economic history, but rather the most developed one, not the first but the last. It is not a product of agriculture, but rather of the immeasurably long earlier traditions of communism which, born in the womb of the gens organization, was finally applied to agriculture, where it precisely reached an apogee that heralded its own decline. In no way therefore do the facts confirm Grosse’s schema. If we then ask for an explanation of the remarkable phenomenon of a communism that emerges in the midst of economic history only to immediately disappear again, Herr Grosse offers us, with one of his clever “materialist” explanations:

We have seen in fact that among the lower agriculturalists, the kin group has particularly acquired so much more force and power than among the peoples of other cultural forms, because it appears here initially as a community of dwelling, possession and economy. But the fact that it has taken such a form here is explained in turn by the nature of the lower agricultural economy, which unites people, whereas hunting and stock-raising disperse them.

Spatial “uniting” or “dispersal” of people in work thus decides whether communism or private property are to prevail. It is a pity that Herr Grosse has forgotten to enlighten us why woods and meadows, in which people are most likely to live “dispersed,” precisely remain common property for longest – in some places down to the present day – whereas the agricultural land on which people “unite” was the earliest to transfer to private ownership. And further, why the form of production that “unites” people more than any other in the whole of economic history, i.e. modern large-scale industry, far from generating any kind of common property, has produced the strictest form of private property, i.e. capitalist property.

We see then that Grosse’s “materialism” is one more proof that it is not enough to talk about “production” and its importance for the whole of social life in order to

conceive history from a materialist perspective, and that separated from its other aspect, from its revolutionary idea of development, historical materialism becomes a crude and ungainly wooden crutch, instead of, as with Marx, a stroke of genius of the scientific spirit.

But what this shows above all else is that Herr Grosse, who talks so much about production and its forms, is unclear about the most fundamental concepts of relations of production. We have already seen how what he understands right away by forms of production is such purely external categories as hunting, stock raising and agriculture. But in terms of answering the question as to the form of property within each of these “forms of production” – that is, the question whether there is common property, family ownership or private ownership, and to whom such property belongs – Grosse merely distinguishes between categories such as “landownership” on the one hand and “moveable possessions” on the other. If he finds that these belong to different owners, he then asks which is “more important”: the “moveable” possessions on the one hand, or immoveable landed property on the other. And whichever appears “more important” to Herr Grosse, he takes as decisive for the form of property in this particular society. He decides, for example, that among higher hunters, “moveable possessions have already acquired such an importance” that they are more weighty than landed property; and since moveable possessions such as foodstuffs are private property, Grosse does not recognize any communistic economy here, despite the self-evidence of common property in land.

But distinctions of this kind made according to purely external characteristics – such as those of moveable versus immoveable possessions – do not have the slightest significance for production, and are more or less on the same level as Grosse’s other distinctions – in family forms between male supremacy and female supremacy, or in forms of production between dispersed and uniting activities. “Moveable possessions,” for example, may consist of foodstuffs or raw materials, ornaments and cult objects, or tools. They may be produced for a society’s own use or for exchange. Depending on this, they will have a very different significance for relations of production. In general, Grosse judges the production and property relations of different peoples – and he is here a typical representative of present-day bourgeois society – according to foodstuffs and other objects of consumption in the broadest sense. If he finds that such objects of consumption are possessed and used by individuals, this demonstrates for him the rule of “individual property” among the people in question. This is the typical manner in which primitive communism is “scientifically” refuted today. According to this profound point of view, a community of beggars which collects and consumes its scanty takings in common, such as is very common in the East, or a band of thieves who enjoy their stolen goods together, are pure examples of a “communistic economic society.” A mark community, on the other hand, which possesses its land in common and works it together, but in which the fruits are consumed on a family basis – each family from its piece of land – is called “an economic community only in a very limited sense.” In short, what is decisive for the character of production from this point of view is the right of ownership over means of consumption and not over means of production, i.e. the conditions of distribution and not those of production. We have reached here a key point in conceptions of political economy, which is fundamentally important for the understanding of all economic history. But we shall now leave Herr Grosse to his fate, and turn our attention to this question in a more general fashion.

## 2.4

Anyone who embarks on the study of economic history, and wants to discover the various forms that the economic relations of society have presented in their historical development, must first of all be clear as to what feature of economic relations is to be taken as the touchstone and measure of this development. In order to find one's way among the wealth of phenomena on any particular terrain, and particularly their historical succession, complete clarity is required as to what element it is that is as it were the inner axis around which the phenomena revolve. The particular element that Morgan, for example, took as the measure of cultural history and touchstone of its present level, was the development of productive technology. In this way he did indeed grasp and reveal the root of the whole cultural existence of humanity. For our purposes here, however, those of economic history, Morgan's measure is not sufficient. The technology of human labor precisely shows the stage that humans have reached in the mastery of external nature. Each new step in the perfection of productive technology is at the same time a step in the subjugation of physical nature by the human mind, and thereby a step in the development of human culture in general. But if we particularly want to investigate the forms of production in society, the relationship of people to nature is not enough; what we are interested in here is first and foremost a different aspect of human labor, i.e. the relations in which people stand *to one another* in work; what interests us is not the technology of production but its social organization. For the cultural level of a primitive people it is very important to know that they are familiar with the potter's wheel and practice pottery. Morgan takes this important advance in technology as the marker of an entire cultural period, which he describes as the transition from savagery to barbarism. But on the basis of this fact we can still judge very little about the form of production of this people. For this we would first have to discover a whole series of conditions, for example who practices pottery in this society, whether all members of the society or only some of them, for example that it is women who supply the community with pots, whether the products of pottery are destined only for the community's – perhaps a village's – own use, or rather serve for exchange with others, whether the products of each person who practices pottery are used only by themselves, or whether everything manufactured serves all members of the community in common. We see that there are ramified social connections in a position to determine the character of the form of production in a society: the division of labor, the distribution of products among consumers, exchange. But all these aspects of economic life are themselves determined by one decisive factor, production. The fact that the distribution of products and exchange can only be consequent phenomena is apparent at first glance. So that products can be distributed among consumers, or exchanged, they must first of all be manufactured. Production itself is therefore the first and most important element in a society's economic life. In the process of production, however, what is decisive is the relations in which those who work stand to their means of production. All work requires particular raw materials, a particular workplace, and then – particular tools. We already know what a high importance the tools of labor and their manufacture assume in the life of human society. Human labor-power intervenes to perform work with these tools and other dead means of production, and to produce the means of consumption, in the broadest sense, that are needed for social life. The relation of those who work to their means of production is the first question of production and its decisive factor. And by this we do not mean the *technical* relation, not the greater or lesser perfection of the means of production with which people work, nor the way in which they proceed with their work. We mean rather the *social* relation between human labor-power and the dead means of production, i.e. the question as *to whom the means of*

*production belong.* In the course of time, this relationship has changed many times. Each time, however, the whole character of production has changed along with this – the pattern of the division of labor, the distribution of products, the direction and scale of exchange, and finally the whole material and intellectual life of society. According to whether those who work possess their means of production in common, or individuals each work for themselves, or do not possess anything but are rather along with the means of production themselves the property of non-workers as means of production, or are chained unfree to the means of production, or as free people who possess no means of production are forced to sell their labor-power as a means of production – we accordingly have either a communist form of production, or a small peasant and handicraft one, or a slave economy, or a feudal economy based on serfdom, or finally a capitalist economy with the wage system. And each of these economic forms has its particular type of division of labor, distribution of products and exchange, as well as its own social, political and intellectual life. It is enough in human economic history for the relationship between those who work and the means of production to radically change, for all other aspects of social, political and intellectual life to change radically as well, so that a whole new society emerges. Of course, there is a continuing interaction between all these aspects of a society's economic life. Not only does the relationship of labor-power to the means of production influence the division of labor, the distribution of products and exchange, but all of these react in turn on the relation of production. But this kind of action is different. The prevailing kind of division of labor, distribution of wealth and particularly exchange at a given economic stage may gradually undermine the relation between labor-power and the means of production from which they themselves arose. Their form however is only altered if the relation between labor-power and means of production has become obsolete and a radical transformation takes place, a literal revolution. Thus the respective transformations that occur in the relation between labor-power and means of production form the visible great milestones on the road of economic history, they mark out the natural epochs in the economic development of human society.

How important it is for the understanding of economic history to be clear about what is essential in this history is shown by examining the partition of economic history that is most current and most celebrated in German political economy today. We refer to that of Professor Bücher. In his *Entstehung der Volkswirtschaft* [The Rise of the National Economy], Bücher explains how important a correct partition of economic history into epochs is for its understanding. In pursuit of this task, however, he does not just tackle the question and show us the result of his rational investigations, but rather prepares us first for a proper evaluation of his own work, by holding forth with great complacency on the inadequacy of all his predecessors.

“The first question,” he says,

that the political economist has to raise, if he wants to understand the economy of a people in a remote epoch, will be “Is this economy a *national* economy? Are its phenomena of the same nature as those of our present-day exchange economy, or are the two different in nature?” Yet this question can only be answered if we do not shy away from investigating the economic phenomena of the past with the same means of conceptual articulation and psychologically isolating deduction that have produced such brilliant results for the economy of the present in the hands of the masters of traditional “abstract” political economy.

We cannot spare the more recent “historical” school the reproach that, instead of penetrating into the nature of earlier economic epochs by the above kind of investigation, it has, almost unnoticed, transferred the customary categories

abstracted from the phenomena of the modern national economy to the past, and has spent so long kneading the concepts of exchange economy until they seem applicable to all economic epochs, for better or worse ... Nowhere can this be more clearly seen than in the way that the distinctive features of the present economic mode of the civilized peoples are characterized in contrast to the economy of past epochs of peoples of low culture. This is done by proposing so-called *stages of development*, in indicating which the basic features of the course of development of economic history are summarized in a nutshell ... All earlier attempts of this kind suffer from the failing that they do not lead into the essence of things, but stick to the surface.

What partitioning of economic history then does Professor Bücher propose? Let us hear.

If we are to grasp this whole development from a *single* perspective, this can only be a perspective that leads us right into the essential phenomena of political economy, and at the same time also embraces the organizational aspect of earlier economic periods. This is nothing other than the relation in which the production of goods stands to their consumption, recognizable from the length of the path that goods cover from the producer to the consumer. From this perspective, we can divide the whole of economic development into three stages, at least for the peoples of Central and Western Europe, where it can be historically traced with sufficient exactitude:

- 1: The stage of self-contained domestic economy (pure subsistence production, exchange-less economy), at which goods are consumed in the same economic unit as that in which they are produced;
- 2: The stage of urban economy (production for clients or stage of direct exchange), at which goods move directly from the producing economic unit to the consuming one;
- 3: The stage of national economy (commodity production, stage of circulation of goods), at which goods must as a general rule pass through a series of economic units before they are consumed.

This schema of economic history is interesting first of all for what it does *not* contain. For Professor Bücher, economic history begins with the mark community of European civilized peoples, thus already with higher agriculture. The whole millennial period of primitive relations of production that preceded higher agriculture, relations in which countless populations still find themselves today, Bücher characterizes, as we know, as “non-economy,” the period of his famous “individual search for food,” and “non-labor.” For Bücher, economic history starts with the final form of primitive communism, in which, with fixed settlement and higher agriculture, the beginnings of the unavoidable break-up and transition to inequality, exploitation and class society are already present. If Grosse contests communism for the whole developmental period prior to the agricultural mark community, Bücher simply strikes this period out of economic history.

The second stage of “self-contained urban economy” is another epoch-making discovery that we owe to the “insight of genius” of the Leipzig professor, as Schurze would say. If the “self-contained domestic economy,” for example that of a mark community, was characterized by the fact that it embraced a circle of individuals who satisfied all their economic needs within this domestic economy, then in the medieval town of Western and Central Europe – as it is only this that Bücher understands by his “urban economy” – the very opposite was the case. In the medieval town there

was no common “economy” of any kind, but rather – to adopt Professor Bücher’s jargon – as many “economies” as there were workshops and households of guild artisans, each of whom produced, sold and consumed for himself – even if under general guild and town rules. But even taken as a whole, the medieval guild town of Germany or France was no “self-contained” economic zone, as its existence was precisely based on reciprocal exchange with the countryside around, from which it drew foodstuffs and raw materials, and for which it manufactured handicraft products. Bücher constructs around each town a self-contained orbit of countryside that he encloses in his “urban economy,” by conveniently reducing exchange between town and country simply to exchange with *peasants* in the immediate surroundings. And yet the manors of rich feudal lords, who were the best customers for urban trade and who had their seats partly scattered across the countryside far from town, partly within the town – particularly in the imperial and episcopal cities – here, however, forming a distinct economic zone, Bücher leaves entirely out of account, just as he completely ignores foreign trade, which was extremely important for medieval economic relations and particularly for the long-term destiny of cities. As for what was really characteristic of the medieval cities, however, that they were centers of *commodity production*, which became here for the first time the prevailing form of production, even if on a limited territory, Professor Bücher ignores it. Conversely, for him, commodity production only begins with the “national economy” – as we well know, bourgeois political economy likes to describe the present-day capitalist economic system with this fiction, i.e. as a “stage” in economic life, whereas what is characteristic is precisely that it is not just commodity production, but *capitalist* production. Grosse calls commodity production simply “industry,” in order to show the superiority of a professor of economics over a mere sociologist.

But let us turn from these side issues to the main question. Professor Bücher presents the “self-contained domestic economy” as the first “stage” of his economic history. What does he understand by this expression? We have already mentioned that this stage begins with the agricultural village community. But besides the primitive mark community, Professor Bücher also counts other historical forms as belonging to the stage of “self-contained domestic economy,” in particular the antique slave economy of the Greeks and Romans, and the medieval feudal manor. The entire economic history of civilized humanity, from its grey dawn through classical antiquity and the whole of the Middle Ages down to the threshold of modern times, is brought together as a single “stage” of production, to which is opposed the medieval European guild town as the second stage, and the present-day capitalist economy as the third stage. Professor Bücher thus classes the communist village community leading its calm existence somewhere in the mountain valleys of the Punjab, the household of Pericles in the heyday of Athenian civilization, and the feudal court of the bishop of Bamberg in the Middle Ages, as one and the same “economic stage.” But any child with even a superficial knowledge of history from school textbooks will understand that relations that are basically different are being squeezed here into a single category. On the one hand we have in the communistic agricultural communities a general equality of the mass of peasants in possession and law, no class differences or at most very embryonic, while on the other hand, in ancient Greece or Rome as well as in feudal medieval Europe, we have the most glaring development of social classes – freemen and slaves, lords and serfs, the privileged and those with no rights, wealth and poverty or misery. On the one hand the general duty to work, on the other a clear opposition between the enslaved mass of working people and the ruling minority of non-workers. And again, between the ancient slave economy of the Greeks or Romans, and the medieval feudal economy, there is the powerful distinction that

ancient slavery eventually led to the downfall of Greco-Roman civilization, whereas medieval feudalism threw up urban guild handicrafts and urban trade, and in this way eventually generated modern capitalism within its womb. Anyone, therefore, who brings under one schema all these economic and social forms, these historical epochs, that are in fact poles apart, must be applying a highly original measure to economic epochs. The measure that Professor Bücher applies, in order to create the night of his “self-contained domestic economy” in which all cats are grey, he himself explains to us, by assisting our understanding with a helpfully bracketed parenthesis. “Exchange-less economy” means that first “stage” stretching from the beginning of written history to the modern age, which is followed by the medieval town as the “stage of direct exchange” and then by the present economic system as the “stage of circulation of goods.” We thus have non-exchange, simple exchange or and complicated exchange – or to put it in more usual terms: absence of trade, simple trade, developed world trade; this is the measure that Professor Bücher applies to economic epochs. The main and basic problem of economic history for him is whether the merchant has already made his appearance or not, whether he is one and the same person as the producer, or a separate person. The professor is very welcome to his “exchange-less economy,” which is nothing more than a professorial fantasy, still not discovered anywhere on earth, and amounting to a historical invention of staggering boldness in being applied to ancient Greece and Rome, or to the feudal Middle Ages from the tenth century on. But to take as measure of the development of production not relations of production but relations of exchange, to take the merchant as the fulcrum of the economic system and the measure of all things, even when he does not yet exist – what a brilliant result of “conceptual articulation, psychological-isolating deduction,” and above all, what “penetration into the essence of the matter,” which scorns “sticking to the surface”! Isn’t the old undemanding schema of the “historical school,” the partition of economic history into three epochs of “natural economy, money economy and credit economy,” much better and closer to reality than the pretentious personal fabrication of Professor Bücher, who not only turns up his nose at all “previous attempts of this kind,” but takes as his own basic idea the same rejected “sticking to the surface” of exchange, distorting it by his pedantic word-spinning into a completely inappropriate schema?

“Sticking to the surface” of economic history is indeed no accident with bourgeois science. Some bourgeois scholars, such as Friedrich List, partition economic history according to the outward nature of the most important sources of food, proposing epochs of hunting, stock raising, agriculture and industry – partitions that are not even adequate for an external history of civilization. Others, such as Professor [Bruno] Hildebrand, partition economic history according to the outward form of exchange, into natural economy, money economy and credit economy, or else, like Bücher, into an exchange-less economy, an economy with direct exchange and one with commodity exchange. Still others, like Grosse, take as their starting-point for judging economic forms the distribution of goods. In a word, the scholars of the bourgeoisie push to the forefront of historical consideration exchange, distribution, consumption – everything except the social form of *production*, which is precisely what is decisive in every historical epoch, and from which exchange and its various forms, distribution and consumption with their particular features, always follow as logical consequences. Why is that? For the same reason that moves them to present the “national economy” i.e. the capitalist mode of production, as the highest and final stage of human history, and to dispute its further world-economic development and associated revolutionary tendencies. The social pattern of production, that is, the question of the relationship of those who work to the means of production, is the core

point of each economic epoch, but it is the sore point of every class society. The alienation of means of production from the hands of those who work, in one or another form, is the common foundation of all class society, since it is the basic condition of all exploitation and class rule. To divert attention from this sore point, and focus on everything external and secondary, is not so much a deliberate effort on the part of bourgeois scholars as rather the instinctive refusal of the class whose intellectual representatives they are to eat the dangerous fruit of the tree of knowledge. And a thoroughly modern and celebrated professor such as Bücher shows this class instinct with his “insight of genius,” when with a wave of the hand he forces such major epochs as primitive communism, slavery and serfdom, with their fundamentally different types of relation of labor-power to the means of production, into one little box of his schema, while permitting himself elaborate hair-splitting in relation to the history of trade, distinguishing with pedantic self-importance, and holding up to the light, “domestic work (in brackets: domestic tasks),” “wage work,” “handicraft,” “work on the customer’s premises,” and similar fatuous rubbish. The ideologists of the exploited masses, the first communists, the earliest representatives of socialism, also wandered in darkness and remained in limbo with their preaching of equality among men, so long as they directed their accusations and struggle principally against unjust distribution, or – like some socialists in the nineteenth century – against modern forms of exchange. Only after the best leaders of the working class realized that the forms of distribution and exchange themselves depend on the organization of production, for which the relationship of working people to the means of production is decisive, only then were socialist strivings placed on a firm scientific footing. And on the basis of this unitary conception, the scientific position of the proletariat is distinguished from that of the bourgeoisie in its approach to economic history, just as it is in relation to political economy. If it lies in the class interest of the bourgeoisie to conceal the crux of economic history – the pattern of the relationship of labor-power to the means of production – and its changing historical character, the interest of the proletariat is conversely to bring this relationship to the fore and make it the measure of a society’s economic structure. And for this it is not merely indispensable for workers to bear in mind the great milestones of history that divide the ancient communistic society from subsequent class society, but equally too the distinctions between the various historical forms of class society themselves. Only by being clear about the specific economic peculiarities of primitive communist society, and the no less particular features of the ancient slave economy and medieval serfdom, is it possible to grasp with due thoroughness why today’s capitalist class society offers for the first time a historical leverage for the realization of socialism, and what the fundamental distinction is between the world socialist economy of the future and the primitive communist groups of primitive times.

### **3. Material on economic history (2)**

#### **3.1**

Let us take a look at one of the mark communities that has been researched most thoroughly in terms of its internal structures – the German.

As we know, the Germans settled by tribes and clans. In each clan, the male head of the household was allocated a building site along with a plot of land in order to set up house and farm there. A portion of the land was then used for agriculture, and each family would obtain a lot on it. It is true that according to Caesar, around the beginning of the Christian era, one tribe of Germans (the Suevi or Swabians) cultivated their farmland collectively without first partitioning it among the families;

yet yearly repartitioning of the lots was already a common practice when the Roman historian Tacitus wrote, in the second century CE. In isolated regions, such as around Frickhofen in Nassau, yearly repartitioning still survived in the seventeenth and eighteenth centuries. In the nineteenth century, it was still the custom in a few regions of the Bavarian Palatinate and on the Rhine to draw lots for farmland, although they took place at longer intervals: every three, four, nine, twelve, fourteen or eighteen years. This land, in other words, was definitively turned into private property only around the middle of the last century. In a few regions of Scotland as well, there was repartitioning of farmland up until recently. All of the lots were originally the same size, matching the average needs of a family as well as the potential yield of the soil and the labor available. Depending on the quality of soil in the various regions, they amounted to fifteen, thirty, forty or more *Morgen* of land. In most parts of Europe, the lots were passed down by inheritance through individual families, as the repartitioning of land became rare and eventually fell out of practice in the fifth and sixth centuries. Still, this only applied to the farms. All of the land that was left over – woodland, meadows, bodies of water and unused parts – remained the unpartitioned, collective property of the mark. From the yield of the woodland, for example, the needs of the community were negotiated and what remained was distributed.

The pastures were used in common. This unpartitioned mark or common land survived for a very long time; it still exists today in the Bavarian Alps, Switzerland and the Tyrol, as well as in France (in the Vendée), in Norway and Sweden.

In order to ensure complete equality in the partitioning of farmland, the land was first divided by quality and situation into a few fields, and each field was cut into several narrow strips corresponding to the number of mark members. If a member of the mark had doubts about whether he had received an equal share, he was allowed at any time to call for a new measurement of the total land. Anyone who resisted him was punished.

But even after periodic repartitioning and allocation by lot fell into disuse, the *work* of all members of the mark community, including farm work, remained totally communal and subject to strict regulation by the collectivity. This meant above all the general obligation of everyone possessing a share of the mark to work. Residency alone was not enough to be an actual member of the mark. For this, each person not only had to live in the mark, but also had to cultivate his holding himself. Anyone who failed to cultivate his portion of land for a number of years lost it for good, and the mark could hand it over to someone else to cultivate. Work itself was also under the direction of the mark. In the early period after the Germans established settlements, the centerpiece of their economic life was stock raising, conducted on communal fields and meadows under communal village herdsman. They used fallow land as pasture for livestock, as well as farmland after the harvest. This followed already from the fact that the times for seeding and harvest, the alternation between tilling and fallow years for each field, and the sequence of sowings, were collectively decided and everyone had to comply with the general arrangement. Each field was surrounded by a fence with gates, and was closed from seedtime until harvest; the opening and closing dates of the field were decided by the entire village. Each field had an overseer, or field guardian, who had to uphold the prescribed arrangement as a public official of the mark. The so-called field processions of whole villages were organized as festivals; children were also brought to these, and given a box on the ear to make them remember the boundaries and be able to attest to them later on.

Stock raising was conducted in common, and the members of the mark were not allowed to keep individual herds. All the village's animals were divided into common

herds according to the kind of animal, each with its own village herdsman and an animal to lead the herd. It was also decided that the herds should have bells. In each mark, the right to hunt and fish anywhere on its territory was also common. No snares could be laid, nor any pits dug, without first notifying the rest of the community. Mineral ore and the like that was dug out of the subsoil of the mark from deeper than a ploughshare belonged to the community and not to the individual finder. The craftsmen needed to reside in each mark. Each farming family, indeed, made most of the items they needed for everyday life themselves. They baked, brewed, spun and wove at home. Yet certain crafts became specialized early on, especially those having to do with the manufacture of farm implements. Thus, in the woodland community of Wölpe in Lower Saxony, the members of the mark were to "have a man of each craft in the forest to make useful things from wood." Everywhere, it was decided what amount and kind of wood the craftsmen were to use, in order to protect the forest and use only what was necessary for the members of the mark. The craftsmen received their necessities from the mark and generally lived the same way as the mass of other peasants. Yet they did not have full rights, partly because they were transient and not an indigenous element, and partly, which comes to the same thing, because their main business was not agriculture, which was then the center of gravity of economic life, around which public life and the laws and duties of the mark members revolved. It was not possible, therefore, for just anyone to join the mark community. The acceptance of an outsider had to be unanimously approved by all of the members of the mark. Anyone who wanted to transfer their lot could do so only to another mark member, never an outsider, and only before the mark tribunal.

At the head of the mark community was the *Dorfgraf* or village mayor, in other places called the *Markmeister* or *Centener*. He was chosen for this position by the mark members. Not only was this an honor for the chosen individual, but also a duty; refusal would be penalized. With the passage of time, the office of mark president became hereditary in certain families, and because of its power and income, it was then only a small step before this office could be bought, with the land becoming a fiefdom, so that the position developed from that of a purely democratic elected leader of the community into a tool for its domination. In the heyday of the mark community, however, the mark president was simply the executor of the wishes of the collectivity. The assembly of the mark members regulated all communal affairs, reconciled disputes and imposed punishments. The entire system of agricultural work, paths and buildings as well as the field and village policing, were all decided by majority in the assembly. The assembly was also responsible for calculating from the "mark books," which had to be kept on the mark's business. Maintaining the peace and administering justice within the mark were carried out under the chairmanship of the mark president by those in attendance (the "court of jurisdiction"), who rendered judgments orally and publicly. Only members of the mark were allowed to attend the tribunal; outsiders were denied entry. The members of the mark were sworn to help and attest to one another, being generally required to assist one another in a brotherly and loyal manner in case of emergency, fire, or enemy attack. In the army, mark members formed their own battalions and fought side by side. No one was allowed to abandon his comrade to an enemy spear. When crimes and damages occurred in the mark or were committed by a member of the mark against an outsider, the whole mark banded together in solidarity. Members of the mark were also obliged to harbor travelers and to support the needy. Each mark originally formed a religious community, and after the introduction of Christianity – which in the case of the Germanic and Saxon peoples was quite late, only in the ninth century – the

community was a religious congregation. Finally, the mark typically kept a school-teacher for all the village youth.

It is impossible to imagine anything simpler and more harmonious than the economic system of the old Germanic mark. The entire mechanism of social life here is open to view. A strict plan and a tight organization cover everything each individual does and place him as a part of the whole. The immediate needs of everyday life, and the equal satisfaction of everyone, is the starting point and end point of the whole organization. Everyone works together for everyone else and collectively decides on everything. But what does this organization spring from, what is it based on, this power of the collective over the individual? It is nothing other than the communism of land and soil, that is to say, the common possession of the most important means of production by those who work. The typical characteristics of the agrarian-communistic economic organization can be brought out more easily if they are studied comparatively at an international level, so that it can be grasped as a global form of production in all its diversity and flexibility.

Let us turn to the old Inca Empire in South America. The territory of this empire, which consisted of the present-day republics of Peru, Bolivia and Chile, an area of 3,364,600 square kilometers with a present population of twelve million inhabitants, was organized at the time of the Spanish conquest under [Francisco] Pizarro in the same way it had been for many centuries before. We find here right away the same arrangements as among the ancient Germans. Each clan community, around a hundred men capable of bearing weapons, occupied a particular area that henceforth belonged to them as their *marca*, even this term curiously resembling the German. The mark's farmland was separated off, divided into portions and allocated annually to families by lot before the sowing of crops. The size of the portions was determined by family size, i.e. according to their needs. The village leader, whose position had already developed from an elected one into a hereditary one by the time of the formation of the Inca Empire in the tenth and eleventh centuries, received the largest allotted share. In northern Peru, the male heads of household did not all cultivate their plots of land themselves, but worked in groups of ten under the direction of a leader – an arrangement that resembles certain aspects of the Germanic structure. This ten-man group cultivated in rotation the lots of all of its members, including those who were absent, on war service, or doing *corvée* labor for the Incas. Each family received the products that grew on its lot. Only those who lived in the *marca* and belonged to the clan had the right to a plot of land. Yet everyone was also obliged to cultivate his plot himself. Anyone who let his field lie fallow for a certain number of years (in Mexico, it was three) lost his claim to his land. The plots could not be sold or given away. It was strictly forbidden to leave one's own *marca* and settle in another one, this fact probably being connected to the strict blood ties of the village tribes.

Agriculture in the coastal regions, where there is only periodic rainfall, always required artificial irrigation by means of canals, which were constructed by the collective labor of the entire *marca*. There were strict rules governing the use of water and its distribution, both between different villages and within them. Each village also had "paupers' fields," which were cultivated by all the members of the *marca* and whose products the village leaders distributed among the elderly, widows, and other needy individuals. All land outside the tilled fields was *marcapacha* (common land). In the mountainous region of the country, where agriculture could not thrive, there was modest livestock farming, consisting almost exclusively of llamas, the basis of existence for these inhabitants, who periodically brought their main product, wool, down to the valley in order to trade it with the peasants for corn, pepper and beans. At the time of the conquest there were already private herds and significant

differences in wealth in the mountain regions. An average member of the mark probably owned between three and ten llamas, while a chief might have between fifty and a hundred. Only the forest, soil and pasture were common property there, and as well as private herds there were village ones, which could not be divided up. At certain times, some of the communal herd were slaughtered and the meat and wool divided among the families. There were no specialized craftsmen; each family made the necessary household items itself. There were, however, villages with special skill in a certain craft, whether as weavers, potters, or metal workers. At the head of the village was the village leader, originally an elected office but later a hereditary one, who oversaw the cultivation, but in every important matter he consulted with the assembly of all adults, which was called together by sounding a conch shell.

Thus far, the ancient Peruvian *marca* offers a faithful copy of the German mark community in all essential characteristics. Yet it offers us more in our investigation of the essence of this social system by deviating from the pattern we already know, than it does in its similarities. What was unique in the old Inca Empire is that it was a conquered land on which foreign rule was established. The immigrant conquerors, the Incas, were indeed an Indian tribe, yet they were able to subjugate the peaceful Quechua tribes who lived there because of the isolation in which these lived in their villages, concerned only with their own *marca* and its boundaries, unconnected to any larger territory, and uninterested in anything that existed or occurred beyond their own borders. This extremely particularistic social organization, which made the Inca conquest so effortless, was barely touched or altered by the Incas themselves. Yet they did graft onto it a refined system of economic exploitation and political domination. Each conquered *marca* had to give up a part of its own land for "Inca fields" and "fields of the sun." Though these continued to belong to it, their products had to be turned over to the ruling Inca tribe and its priestly caste. Similarly, they had to reserve a portion of their livestock in the mountainous *marcas* as "herds of the masters" and mark them as such. The protection of these herds as well as the cultivation of the fields for the Incas and their priests was based upon the compulsory labor of all members of the *marca*. On top of this there was compulsory labor for mining, likewise for public works such as road and bridge construction under the control of the rulers; a strictly disciplined military service; and finally a tribute of young girls, who were used by the Incas for ritual sacrifice or as concubines. This tight system of exploitation, however, did not interfere with the internal life of the *marca* and its communist-democratic organization; even the compulsory labor and dues were borne communistically as a collective burden of the mark. Yet what is remarkable is that this communistic village organization did not simply prove a solid and amenable basis for a centuries-long system of exploitation and servitude, as so often happens in history, but that this system was itself organized on a communistic basis. The Incas who ensconced themselves on the backs of the subjugated Peruvian tribes themselves also lived in clan groups with mark-type relations. Their capital, the town of Cuzco, was simply a combination of a dozen or two collective quarters, each the seat of a communistic household for a whole clan, complete with a communal burial area, and a common cult as well. Around these tribal houses lay the mark regions of the Inca clans, with unpartitioned forests and pastures and partitioned farmland, which was likewise cultivated in common. Being a primitive people, these exploiters and rulers had not yet renounced work themselves; they used their position of domination only to live better than the dominated and to make more opulent sacrificial offerings. The modern art of having one's food supplied by other people's labor and making refusal to work an attribute of domination was still foreign to the nature of this social organization, in which collective property and the general duty to work were deep-seated

customs. The exercise of political domination was also organized as a collective function of the Inca clans. The Inca governors appointed to the Peruvian provinces, analogous in their role to the Dutch residents of the Malaysian archipelago, were seen as delegates of their clans in Cuzco, where they retained residency in the collective quarters and participated in their own mark community. Each year, these delegates returned home for the Sun Festival in Cuzco to render an account of their official activities and to celebrate the great religious festival with their fellow clansmen.

What we have here, as it were, is two social strata, one above the other yet both internally communistic in their organization, standing in a relationship of exploitation and subjugation. This phenomenon may seem incomprehensible at first, being as it is in stark contradiction with the principles of equality, brotherhood and democracy that form the basis of the organization of the mark community. But we also have here living proof of just how little in reality the primitive communist structures had to do with general freedom and equality. These expanded, generically valid "principles" applying to all abstract "human beings," or all people of the "civilized" countries, i.e., countries of capitalist civilization, were only a late product of modern bourgeois society, whose revolutions – in America as well as France – proclaimed them for the first time. Primitive communist society knew no such general principles for all human beings; their equality and solidarity grew out of the traditions of common blood ties and out of common ownership of the means of production. As far as these blood ties and common ownership reached, so too did the equality of rights and solidarity of interests. Whatever lay beyond these limits – which were no wider than the walls of a village, or at most the territorial boundaries of a tribe – was foreign and could even be hostile. Indeed, each community based on economic solidarity could and necessarily was periodically driven into deadly conflicts of interest with similarly constructed communities because of the low level of development of production, or because of the scarcity or exhaustion of food sources due to an increase in population. Brute struggle, war, had to decide, and its result often meant the eradication of one of the contending parties, or more frequently, the establishment of a system of exploitation. It was not devotion to abstract principles of equality and freedom that formed the basis of primitive communism, but the pitiless necessities of a low level of human civilization, the helplessness of humanity in the face of external nature, which forced them to stick closely together in larger alliances, and to act methodically and collectively with respect to labor and the struggle for life as an absolute condition of existence. Yet it was also the same limited control over nature that confined planning and action with respect to labor to a relatively quite small area of natural pasture or reclaimable village settlements, and made this unsuitable for collective action on a larger scale. The primitive state of agriculture at that time did not allow for any larger cultivation than that of a village mark, and for this reason presented strict limits to the solidarity of interests. And finally, it was the same inadequate development of labor productivity that also generated periodic conflicts of interest among the various social alliances, thereby making brute force the only means to solve such conflicts. War thus became a permanent method for solving conflicts of interest between social communities, a method that would prevail through to the highest development of labor productivity – the total domination of man over nature – that will put an end to material conflicts of interest between people. If clashes between different primitive communist societies were indeed a common occurrence, it was the development of labor productivity at the time that decided the outcome. When there was a conflict between two nomadic, herding peoples who had come into conflict over livestock pastures, only brute force could determine who would remain master of the land and who would be driven into drought-ridden, inhospitable regions

or even be exterminated. Yet wherever agriculture was already sufficiently flourishing to nourish people well and securely, without taking up the entire labor force and the entire lifetime of these individuals, there was also the foundation for a systematic exploitation of these peasants by foreign conquerors. And this explains the relations that emerge, as in Peru, when one communistic community establishes itself as the exploiter of another.

The unique structure of the Inca Empire is important because it offers us the key to understanding a whole series of similar patterns in classical antiquity, especially those in the earliest period of Greek history. If, for example, we have a brief surviving account how on the island of Crete, which was ruled by the Dorians, the subjugated people had to hand over their entire harvest, less the sustenance required for themselves and their families, to the community, to cover the communal meals of the free men (the ruling Dorians); or that in Sparta, likewise a Dorian community, there were “state slaves” or Helots, who were given “from the state” to individuals to work their farmland, at first this kind of thing presents a puzzle. And a bourgeois scholar, Professor Max Weber in Heidelberg, proposes a curious hypothesis based on the standpoint of present-day condition and concepts, in order to explain these curious historical phenomena:

The dominated population is treated here [in Sparta – R.L.] in the same manner as in state slavery or bondage. The sustenance of the warriors is deducted from agricultural production, partly in the collective manner that we have already mentioned, and partly in such a way that the individual is dependent on the yield of certain plots of land worked by slaves that are allocated to him, which are appropriated in one way or another, later increasingly through inheritance. New allocations of lots and other kinds of distribution were historically considered to be practicable and appear to have occurred. Naturally, they are not reallocation of *farmland* [“natural” is not something a bourgeois professor should concede, regardless of what it is about – R.L.] but rather a kind of reallocation of *ground rent*. Military considerations, especially a military population policy, determine all the particulars ... The *urban-feudal* character of this politics is characteristically expressed in the way that in Gortyn, the plots of land occupied by serfs in the estate of a free man are subject to military law: they form the *kleros*, which is bound to the maintenance of the military family.

Translated from the academic into regular speech: the farmlands are the property of the whole community and thus may not be sold nor distributed after the death of the owner. Professor Weber explains this at another point as a wise measure “to prevent the fragmentation of wealth” and “in the interest of maintaining lots appropriate for the class of warriors.”

The organization culminates in a mess-like community dinner table of the warriors, the “*syssities*,” and in the communal education of children by the state, in order to make them into warriors.

In this way the Greeks of the heroic age, the age of Hector and Achilles – who happily possess the notions of annuities [*Rentenanstalten*] and the Prussian *Fideikommis*, of officers’ messes with their “class appropriate” champagne toasts – the blossoming, naked boys and girls of Sparta who enjoyed a national education, are all transformed into a jail-like institution for cadets such as that at Gross-Lichterfelde near Berlin.

The relations described above will not present much difficulty for someone familiar with the internal structure of the Inca Empire. They are undoubtedly the product of a similarly blatantly parasitic dual structure that has emerged from the subjugation of an agricultural mark community by another communistic community. The

extent to which the communistic foundation remains in the customs of the rulers as well as in the situation of the subjugated depends on the stage of development, the length and the environment of this pattern, all of which can offer a whole range of gradations. The Inca Empire, where the rulers themselves still labor, where the landownership of the subjects as a whole is not yet touched and each social stratum is cohesively organized, can indeed be viewed as the original form of such exploitative relations, which was only able to preserve itself for centuries thanks to the country's relatively primitive level of culture and isolation from the rest of the world. The historical information on Crete, drawn from traditional sources, suggests an advanced stage where the subjugated peasant community had to hand over all the fruits of its labor less what was needed for its own subsistence, where the ruling community lived not from their own labor in the fields, but from the dues paid to them by the exploited mark community, although this still had its own consumption in common. In Sparta we find – at a further stage of development – that the land is no longer seen as belonging to the subjugated community, but is rather the property of the rulers, being repartitioned and allotted by lot *among themselves* in the manner of the mark community. The social organization of the subjugated is shattered by the loss of its foundation, ownership of the land; they themselves become the property of the ruling community, who communistically, or “for the sake of the state,” hand over the landless to individual mark members as laborers. The ruling Spartans themselves continue to live in strict relations characteristic of the mark community. And similar relations are supposed to have prevailed to a certain degree in Thessaly, where the previous inhabitants, the *Penestai* or “poor people,” were subjugated by the Aeolians, or in Bithynia, where the *Mariandynoi* were placed in a similar situation by Thracian tribes. Such a parasitic existence, however, constantly led to the seeds of disintegration being also brought into the ruling community. Conquest, and the imperative to establish exploitation as a permanent structure, already leads to a considerable development of the military apparatus, as we see in both the Inca state and the Spartan ones. This is the first precondition for inequality, for the formation of privileged classes, in the womb of the originally free and equal mass of peasants. It only requires favorable geographical and cultural-historical circumstances, which arouse more refined needs by contact with more civilized peoples and brisk trade, in order for inequality to make rapid progress even within the ruling classes, for the communistic cohesion to weaken, and for private property to enter the field with its division of rich and poor. The early history of the Greek world, after its contact with the civilized peoples of the Orient, is a classic example of such a development. Thus, the result of the subjugation of one early communistic society by another, whether sooner or later, is always the same: the unraveling of communistic, traditional social bonds among both the rulers and the ruled, and the birth of a totally new social formation in which private property along with inequality and exploitation, each engendering the other, enter the world right away. And thus the history of the old mark community in classical antiquity leads, on the one hand, to the opposition between a mass of indebted small peasants and an aristocracy that has appropriated military service, public offices, trade and the undivided communal lands as large-scale landed property; and on the other hand, to the opposition between this whole society of free people and the exploited *slaves*. It was only one step from this differentiated natural economy based on communal exploitation of a people subjected militarily to introducing the purchase of individual slaves. And this step was taken quickly in Greece by virtue of maritime and international trade, with its effects in the coastal and island states. [Ettore] Ciccotti also distinguishes between two types of slavery: “The oldest, most significant and most widespread form of economic servitude,” he says,

which we see at the threshold of Greek history, is not slavery, but a form of bondage that I would almost like to call vassalage. According to Theopompus [of Chios]: "Among all Hellenes after the Thessalians and the Lacedaemonians, the inhabitants of the island of Chios in Asia Minor were the first to use slaves, but they did not acquire them in the same manner as others ... It is clear that the Lacedaemonians and Thessalians formed their slave class out of Hellenes who previously inhabited this part of the world they now owned, so that they forced the Achaeans, Thessalians, Perrebes and Magnetes into servitude and named these subjugated peoples Helots and *Penestai*. In contrast, the inhabitants of Chios acquired barbarian non-Greeks as slaves and paid a price for them."

And the reason for this distinction, Ciccotti correctly points out,

lay in the different level of development of the inland peoples on the one hand and the island peoples on the other. Complete absence or a very low degree of accumulation of wealth, along with the weak development of commercial trade, in the one case excluded a direct and growing production on the part of the owners as well as their direct employment of slaves, leading instead to the more rudimentary form of tribute and to a division of labor and formation of a class system that created a body of armed soldiers out of the ruling class and a farming peasantry out of the subjugated peoples.

The internal organization of the Peruvian Inca state reveals to us an important aspect of this primitive social form, indicating at the same time a particular historic process of its downfall. A different turn in the fate of this social form will appear when we trace the subsequent episode in the history of the Peruvian Indians as well as that of the other Spanish colonies in America. Here we particularly encounter a completely new method of domination, which had no parallel with the Inca rulers, for example. The Spanish, the first Europeans in the New World, began their rule with the relentless extermination of the subjugated population. According to the reports of the Spanish themselves, the number of Indians exterminated in the space of only a few years after the discovery of America reached a total of between twelve and fifteen million. "We believe it justified to maintain," [Bartolomé de] Las Casas says, "that the Spanish, through their monstrous and inhuman treatment, have exterminated twelve million people, among them women and children." He further states, "In my personal opinion, the number of those natives murdered in this period exceeded even fifteen million." "On the island of Haiti," says [Heinrich Gottfried] Handelmann, "the number of natives before the Spanish encountered them in 1492 was around one million; by 1508 only sixty thousand of these million people remained, and nine years later there were only fourteen thousand, so that the Spanish had to resort to introducing Indians from the neighboring islands in order to have enough working hands. In 1508 alone, forty thousand natives from the Bahamas were transported to the island of Haiti and made into slaves." The Spanish regularly hunted down the redskins, as described for us by an eyewitness and participant, the Italian Girolamo Benzoni. "In part because of a lack of food, and in part out of fear following separation from their fathers, mothers, and children," says Benzoni after one such manhunt on the island of Kumagna, in which four thousand Indians were captured,

the majority of the enslaved natives died on the way to the port of Cumana. Each time that one of the slaves was too tired to march as quickly as his comrades, the Spanish stabbed him in the back with their daggers, inhumanly murdering him out of fear that he wanted to remain in order to lead a counterattack. It was a heart-breaking scene to see these poor souls, totally naked, tired, wounded and so exhausted from hunger that they could hardly stand on their

feet. Iron chains bound their necks, hands and feet. There was not a virgin among them who would not be raped by these robbers, who were so addicted to this repulsive debauchery that many of them remained marred by syphilis forever ... All the natives taken as slaves were branded with hot irons. The captains then took a number of them for themselves, dividing the rest among the soldiers. They either gambled them away to one another or sold them to Spanish colonists. Merchants who traded this commodity for wine, flour, sugar and other daily necessities, transported the slaves to those parts of the Spanish colonies where there was the greatest demand for them. During their transport, a number of these unfortunates died from lack of water and the bad air in the cabins, which was due to the fact that the traders herded the slaves into the lowest level of the ship without giving them enough water to drink or enough air to breathe.

However, in order to relieve themselves of the trouble of pursuing the Indians and the cost of buying them, the Spanish created a system known as *repartimientos* in their West Indian possessions and on the American mainland. The entire conquered area was divided by the governors into districts, whose village leaders, *caciques*, were themselves obliged to supply on demand the number of natives for slavery requested by the Spanish. Each Spanish colonist periodically received the requested number of slaves that were delivered to him by the governor under the condition that he "take the trouble to convert them to Christianity." The abuse of the slaves by the colonists defied all understanding. Suicide became a salvation for the Indians. "All of the natives captured by the Spanish," according to one witness,

were forced by them to do hard and exhausting labor in the mines, away from their homes and families and under constant threat of beatings. No wonder that thousands of slaves saw no other possibility than to escape from their gruesome fate by not only violently taking their own lives, by hanging or drowning themselves or in other ways, but first also murdering their wives and children, in order to end an unfortunate and inescapable situation for everyone all at once. In other cases, women resorted to aborting their children in the womb or avoiding sexual contact with men so that they did not have to bear slaves.

Through the intervention of the imperial confessor, the pious Father Garcia [Juan] de Loaysa, the colonists were finally able to have a decree issued by the Hapsburg emperor, Charles V, summarily declaring the Indians to be hereditary slaves of the Spanish colonists. Benzoni in fact says the decree only applied to Caribbean cannibals, but was extended and applied to all Indians in general. In order to justify their atrocities, the Spanish systematically spread dramatic horror stories about cannibalism and other vices of the Indians so that a contemporary French historian, Marly de Châtel, in his "General History of the West Indies" (Paris 1569) could write of them: "God punished them with slavery for their evil and vice, since not even Ham sinned against his father Noah to the degree of the Indians against the Holy Father." And around the same time the Spaniard [José de] Acosta wrote in his *Historia natural y moral de las Indias* (Barcelona, 1591) about these same Indians, that they were a "good-natured people who are always ready to prove themselves of service to the Europeans; a people who, in their behavior, show such a touching harmlessness and sincerity, that those not completely stripped of all humanity could not treat them in any other way than with tenderness and love."

Naturally, there were also attempts to stop the horror. In 1531, Pope Paul III published a bull decreeing that the Indians were members of the human race and therefore free from slavery. The Spanish Imperial Council for the West Indies also made a declaration against slavery, but the need for these repeated decrees testified

more to the fruitlessness of these attempts than to their sincerity.

What freed the Indians from slavery was neither the pious actions of the Catholic clergy nor the protests of the Spanish kings, but rather the simple fact that the Indians' mental and physical constitution rendered them worthless for hard slave labor. Against this bare impossibility, the worst cruelty of the Spanish did not help in the long run; the redskins died under slavery like flies, fled, took their own lives – in short, the entire business was thoroughly unprofitable. And only when the warm and untiring defender of the Indians, Bishop Las Casas, hit upon the idea of importing the more robust Africans as slaves in place of the unfit Indians, were the useless experiments with the Indians immediately abandoned. This practical discovery had a quicker and more thorough effect than all of Las Casas's pamphlets on the cruelties of the Spanish. The Indians were freed from slavery after a few decades and the enslavement of the Negroes began, which would last for four more centuries. At the end of the eighteenth century a respectable German, "good old [Joachim Christian] Nettelbeck" from Kolberg, was the captain of a ship taking hundreds of Africans from Guinea to Guyana in South America, where other "good East Prussians" exploited plantations and sold slaves along with other goods from Africa, herding them into the lowest parts of the ship, as the Spanish captains had done in the sixteenth century. The progress of the humanitarian era of the Enlightenment showed itself in the way that Nettelbeck, to alleviate their melancholy and to keep them from dying off, allowed the slaves to dance on the ship's deck with music and whip cracks every evening, something to which the more brutal Spanish traders had not yet resorted. And in 1871, in the late nineteenth century, the noble David Livingstone, who had spent thirty years in Africa searching for the sources of the Nile, wrote in his famous letters to the American [James] Gordon Bennett:

And if my disclosures regarding the terrible Ujijian slavery should lead to the suppression of the east coast slave trade, I shall regard that as a greater matter by far than the discovery of all the Nile sources together. Now that you have done with domestic slavery forever, lend us your powerful aid toward this great object. This fine country is blighted, as with a curse from above ...

Yet the lot of the Indians in the Spanish colonies was not made significantly better by this transformation. A new system of colonization simply took the place of the old one. Instead of *repartimientos*, which were created for the direct enslavement of the population, the so-called *encomiendas* were introduced. Formally, the inhabitants were awarded personal freedom and full property rights to their land. But these areas were under the administrative direction of the Spanish colonists, in particular in the hands of the descendants of the first *conquistadores*, and these *encomenderos* were to be the guardians of the Indians, who were for their part declared to be legal minors. The *encomenderos* were supposed to spread Christianity among the Indians. To cover the cost of constructing churches for the natives and as compensation for their labor as guardians, the *encomenderos* legally acquired the right to demand "moderate payments in money and in kind" from the population. These provisions soon were enough to make the *encomiendas* hell for the Indians. The land was indeed left to them as the undivided property of the tribes, but the Spanish only understood, or only wanted to understand, this to be farmland, land that was under the plough. The undivided mark as well as unused lands, often even fields left to lie fallow, were taken over by the Spanish as "waste land." And they did this with such thoroughness and shamelessness that [Alonzo de] Zurita wrote on this subject:

There is not a parcel of land, not a farm, that was not determined to be the property of the Europeans, without regard for the encroachments onto the interests

and the property rights of the natives, who were thus forced to leave this land, which had been inhabited by them since ancient times. Cultivated land was often seized from them, under the pretext that this was being utilized only to prevent its acquisition by the Europeans. Thanks to this system, in some provinces the Spanish expanded their property so widely that the natives had no land left to cultivate themselves.

At the same time, the “moderate” payments were increased so shamelessly by the *encomenderos* that the Indians were crushed under them. “All of the belongings of the Indian,” Zurita says,

are not enough to pay the taxes that are levied on him. You meet many people among the redskins whose assets do not even come to one *peso* and who live from daily wage-labor; these unfortunates, accordingly, having nothing left with which to support their families. This is the reason why so often young people prefer sexual relations out of wedlock, especially when their parents do not even have four or five *reales* at their disposal. The Indians can scarcely afford the luxury of clothing themselves; many who have no resources to buy themselves clothes are not able to take communion. It is no wonder, then, that the majority of them become desperate, since they cannot find any way to acquire the food needed for their families ... During my early travels, I discovered that many Indians hanged themselves out of despair, after explaining to their wives and children that they were doing this in the face of the impossibility of meeting the taxes demanded of them.

Finally, in addition to increasing land theft and pressure of taxation, came forced labor. At the beginning of the seventeenth century, the Spanish openly returned to the system that had been formally abandoned in the sixteenth century. Though slavery was abolished for the Indians, in its place came a unique system of forced wage labor, which did not significantly differ from the system that preceded it. Already in the mid-sixteenth century, Zurita portrays for us the situation of the Indian wage laborers under the Spanish in the following way:

The whole time, the Indians received no other nourishment than cornbread ... The *encomendor* has them work from morning to night, naked in the morning and evening frosts, in storms and thunder, without giving them any food other than half-spoiled bread. The Indians spend the night under the open sky. Because the wage is only paid at the end of their term of forced labor, the Indians have no means to buy the necessary warm clothing for themselves. It is no surprise that under such circumstances, the work in the *encomenderos* is utterly exhausting for them and can be identified as one of the reasons for the Indians dying off so rapidly.

This system of forced wage labor was introduced at the beginning of the seventeenth century by the Spanish crown, making it officially and universally legal. The stated reason for the law was that the Indians would not work voluntarily and that without them the mines could only be run with great difficulty, despite the presence of the African slaves. The Indian villagers were thus required to provide the number of workers demanded (in Peru, a seventh of the population, in New Spain, 4 percent), and these were at the mercy of the *encomenderos*. The deadly consequences of this system were immediately apparent. An anonymous memorandum sent to Philip IV, under the title “Report on the Dangerous Situation of the Kingdom of Chile from the Temporal and Spiritual Point of View,” stated:

The known cause of the rapid decrease in the number of natives is the system of forced labor in the mines and on the fields of the *encomenderos*. Although the

Spanish have an enormous number of Negroes at their disposal, although they have taxed the Indians at a higher rate than they paid their leaders before the conquest, they nevertheless regard it as impossible to give up this system of forced labor.

In addition, forced labor resulted in the Indians in many cases being unable to cultivate their fields, which the Spanish then used as a pretext to seize the land for themselves as "waste land." The ruin of Indian farming offered a fertile ground for extortion. "Among their native rulers," according to Zurita, "the Indians did not know any usurers." The Spanish taught them very well these blessings of money economy and taxation. Eaten up by debt, huge lands owned by the Indians – those that had not already been simply stolen by the Spanish – fell into the hands of Spanish capitalists, with the assessment of their value forming a special example of European perfidy. Between them, the theft of land, taxation, forced labor and usury formed a tight circle in which the existence of the Indian mark community collapsed. The traditional public order and customary social bonds of the Indians were dissolved by the collapse of their economic base – mark community farming. For their part, the Spanish methodically destroyed it by disrupting all traditional forms of authority. The village and tribal chiefs had to be confirmed by the *encomenderos*, who used this prerogative to fill these positions with their own protégés, the most depraved subjects of Indian society. Another favorite method of the Spanish was the systematic instigation of the Indians against their leaders. Under the auspices of their Christian aims, of protecting the natives from being exploited by their chiefs, they declared them free from paying the dues that these had received since time immemorial. "The Spanish," writes Zurita, "based on what is happening in Mexico today, maintain that the chiefs are plundering their own tribes, but they bear the blame for this extortion, since they themselves and no one else robbed the former chiefs of their position and income and replaced them with ones from among their protégés." Likewise, they looked to instigate mutinies whenever village or tribal chiefs protested against illicit lands sales to the Spanish by individual members of the mark. The result was chronic revolts, and an endless succession of legal proceedings over unlawful land sales among the natives themselves. Along with ruin, hunger, and slavery, anarchy added to the mix that made the existence of the Indians hell. The stark result of this Spanish-Christian guardianship can be summed up in two phrases: the land going into the hands of the Spanish, and the extinction of the Indians. "In all the Spanish areas of the Indies," Zurita writes,

either the native tribes disappear completely or they become much smaller, although others have claimed the opposite. The natives leave their dwellings and farms, since these have lost all value for them in the face of the exorbitant dues in money and kind; they emigrate to other regions, continuously wandering from one region to another, or they hide themselves in the forest and run the danger of becoming, sooner or later, the prey of wild animals. Many Indians end their lives by suicide, as I personally witnessed several times and learned from interviews with the local population.

And half a century later, another high official of the Spanish government in Peru, Juan Ortiz de Cervantes, reported:

The native population in the Spanish colonies grow ever more thin on the ground; they abandon the areas they formerly inhabited, leaving the soil uncultivated, and the Spanish have to struggle to find the necessary number of peasants and herdsmen. The so-called *Mitayos*, a tribe without whom work in the gold and silver mines would be impossible, either completely abandon the cities

occupied by the Spanish, or if they stay, die out at an astonishing rate.

We may truly wonder at the incredible tenacity of the Indian people and their mark community institutions, since remains of both persisted well into the nineteenth century, despite these conditions.

The great English colony of India shows us another aspect of the fate of the mark community. Here, as in no other corner of the earth, one can study the most varying forms of property that represent the history of several millennia, like [William] Herschel's "star gages" model of the sky projected onto a flat surface. Village communities alongside tribal communities; periodic repartitionings of equal portions of land alongside lifelong ownership of unequal portions of land; communal labor alongside private individual enterprise; equal rights of all villagers to community lands alongside the privileges of certain groups; and finally, beside all these forms of communal property, private property in land in the form of smaller subplots of rural land, short-term leaseholds, and enormous latifundia. All of this could still be observed in India, as large as life, a few decades ago. Indian legal sources attest that the mark community in India is an ancient system. The oldest common law, the Code of Manu from the ninth century BC, contains countless ordinances concerning border disputes between mark communities, unpartitioned marks, and the new settlement of daughter villages on unpartitioned land of older marks. The code knows only ownership based on one's own labor; it mentions handicrafts only as a side-occupation of agriculture; it attempts to rein in the power of the Brahmins, the priests, by only allowing them to be granted moveable property. The future indigenous sovereigns, the rajas, appear in these codes still as elected tribal high chiefs. The two later codes, Yajnavalkya and Narada, which are from the fifth century, recognize the clan as the social organization, with public and judicial authority lying in the hands of the assembly of mark members. These are, jointly and collectively, responsible for the misdeeds and crimes of individuals. Standing at the head of the village is the elected mark leader. Both legal codes advise electing the best, most peace-loving and most even-handed community member to this office and offering him unconditional obedience. The Code of Narada already distinguishes between two kinds of mark communities: "relatives" or clan-based communities, and "cohabitants" or neighboring communities as local associations of non-blood relatives. Yet, at the same time, both legal codes only recognize ownership based on individual labor. Abandoned land belongs to the person who takes it over for cultivation. Illegal occupation is still not recognized after three generations if the individuals in question do not cultivate the land. Up to this point, we therefore see the Indian people still enclosed within the same primitive social groups and economic relations, as they existed for centuries in the Indus region and subsequently in the heroic period of the Ganges conquest, from which the great folk epics of the *Ramayana* and the *Mahabharata* were born. It is only in the commentaries on the old legal codes, which are always the characteristic symptom of deep social changes and aspirations, that one sees old legal views reinterpreted in the light of new interests. This is clear proof that up to the fourteenth century – the epoch of the commentators – Indian society went through significant adjustments in its social structure. In the meantime, an influential priestly class had developed, rising above the mass of peasants both materially and legally. These commentators – just like their Christian colleagues in the feudal West – seek to "explain" the precise language of the old legal codes in such a way as to justify priestly ownership of property and encourage the donation of land to the Brahmins, and in this way promote the division of the mark lands and the formation of clerical landed property at the expense of the mass of peasant farmers. This development was typical of the fate of all Oriental societies.

The life-and-death question for every form of developed agriculture in most parts of the Orient is irrigation. We see at an early date in India, just as in Egypt, large-scale irrigation systems as a solid foundation for agriculture, along with canals, streams and systematic precautionary measures to protect the land from periodic flooding. From the outset, all of these large undertakings were beyond the capacity of the individual mark community, in terms of the forces, initiative and planning they required. Their direction and execution were the work of an authority that stood above the individual village marks, one that could bring labor-power together on a larger scale. Also required was a mastery of natural laws greater than that available to the observational and experiential world of the mass of peasants, enclosed in the limits of their villages. Out of these needs arose the important function of the priests in the Orient, who were able to direct large public works such as irrigation systems by virtue of their observation of nature, this being an integral part of every nature-based religion; the priests' exemption from direct participation in agricultural labor, a freedom that was the product of a certain stage of development, allowed them to direct the irrigation work. Naturally, over time, this purely economic function grew into a particular type of social power held by the priests. The specialization of these members of society, which emerged from the division of labor, turned into a hereditary, exclusive caste with privileges over the peasant masses and an interest in their exploitation. The pace and extent of this process for a particular people, whether it remained embryonic as in the case of the Peruvian Indians, or developed into official state rule by the priestly caste, theocracy, as in Egypt or among the ancient Hebrews, was always dependent on the specific geographical and historical circumstances. But it also depended on whether frequent contact with surrounding peoples allowed a strong warrior caste to emerge outside of the priestly caste, and raise itself up as a military aristocracy in competition with or indeed above the priests. In either case, it was the case again here that the specific, particularistic narrowness of the ancient communistic mark, with an organization unsuited for larger economic or political tasks, forced it to cede these functions to forces that dominated it from outside. These functions so surely offered the key to the political domination and economic exploitation of the peasant masses, that all barbarian conquerors in the Orient, whether Mongols, Persians, or Arabs, were forced, alongside their military power, to take control of the management and execution of the large public undertakings required for the agricultural economy. Just as the Incas in Peru regarded the supervision of artificial irrigation projects and of road and bridge construction as not only a privilege but a duty, so the various Asiatic despotic dynasties that succeeded one another in India applied themselves just as diligently. Despite the formation of castes, despite despotic foreign rule over the country, and despite political upheavals, the tranquil village pursued its existence in the depths of Indian society. Within each village the ancient traditional statutes of the mark constitution prevailed, continuing beneath the storms of political history its own calm and unremarked internal history, shedding old forms and adopting new ones, experiencing prosperity and decline, dissolution and regeneration. No chronicler ever portrayed these events, and when world history describes the bold campaign of Alexander [the Great] of Macedon all the way to the sources of the Indus, and is full of the battle sounds of bloody Timur and it remains completely silent about the internal economic history of the Indian people. It is only from survivals of the various ancient layers of this history that we can reconstruct Indian society's hypothetical pattern of development, and it is the achievement of Kovalevsky to have unraveled this. According to Kovalevsky, the various types of agrarian communities that were still observed in the mid-nineteenth century in India can be placed in the following historical sequence:

1: The oldest form is that of the pure clan community, comprising the totality of blood relatives in a clan or kinship group, which owns the land in common and cultivates it communally. Here the communal land is therefore unpartitioned, and it is only the products of the harvest, as well as those in communal storage, that are distributed. This most primitive type of village community survived only in a few districts of northern India, its inhabitants largely confined to a few branches (*putti*) of the old gens. Kovalevsky sees in this, by analogy with the *zadruga* of Bosnia-Herzegovina, the product of a dissolution of the original blood relationship, which as a result of the growth of the population, broke up into a number of large families that withdrew from the community with their lands. In the middle of the previous century there were still a considerable number of village communities of this type, some of them with more than 150 members, while others boasted 400. More predominant, however, was the small village community, which came together in larger kinship groups on the area of the old gens only in exceptional cases, i.e. in connection with the sale of land. As a general rule, they led the isolated and strictly regulated existence that Marx, using English sources, portrays in a few short passages in *Capital*:

These small and extremely ancient Indian communities, for example, some of which continue to exist to this day, are based on the possession of the land in common, on the blending of agriculture and handicrafts and on an unalterable division of labor, which serves as a fixed plan and basis for action whenever a new community is started. The communities occupy areas of from a hundred up to several thousand acres, and each forms a compact whole producing all it requires. Most of the products are destined for direct use by the community itself, and are not commodities. Hence production here is independent of that division of labor brought about in Indian society as a whole by the exchange of commodities. It is the surplus alone that becomes a commodity, and a part of that surplus cannot become a commodity until it has reached the hands of the state, because from time immemorial a certain quantity of the community's production has found its way to the state as rent in kind. The form of the community varies in different parts of India. In the simplest communities, the land is tilled in common, and the produce is divided among the members. At the same time, spinning and weaving are carried on in each family as subsidiary industries. Alongside the mass of people thus occupied in the same way, we find the "*chief inhabitant*," who is judge, police authority and tax-gatherer in one; the *book-keeper*, who keeps the accounts of the tillage and registers everything relating to this; another official, who prosecutes criminals, protects strangers traveling through and escorts them to the next village; the *boundary man*, who guards the boundaries against neighboring communities; the *water-overseer*, who distributes the water from the common tasks for irrigation; the *Brahmin*, who conducts the religious services; the *schoolmaster*, who on the sand teaches the children reading and writing; the *calendar Brahmin*, or astrologer, who makes known the lucky or unlucky days for seed-time and harvest, and for every other kind of agricultural work; a *smith* and a *carpenter*, who make and repair all the agricultural implements; the *potter*, who makes all the pottery of the village; the *barber*, the *washerman*, who washes clothes, the *silversmith*, here and there the *poet*, who in some communities replaces the silversmith, in others the schoolmaster. This dozen or so of individuals is maintained at the expense of the whole community. If the population increases, a new community is founded, on the pattern of the old one, on unoccupied land ... The law that regulates the division of labor in the community acts with the irresistible authority of a law of nature ... The simplicity of the productive organism in these self-sufficing communities which constantly

reproduce themselves in the same form and, when accidentally destroyed, spring up again on the same spot and with the same name – this simplicity supplies the key to the riddle of the *unchangeability* of Asiatic *societies*, which is in such striking contrast with the constant dissolution and refounding of Asiatic *states*, and their never-ceasing changes of dynasty. The structure of the fundamental economic elements of society remains untouched by the storms that blow up in the cloudy regions of politics.

2: At the time of the English conquest, the original tribal community had in most cases already been dissolved. From its dissolution, however, emerged a new form, a kinship community with partitioned agricultural land, though not equally divided. The unequal lots of land were given to individual families and their size was based on the family's relationship to the tribal ancestors. This form was prevalent in north-western India as well as in Punjab. The lots here were neither held for life nor were they hereditary; they remained in the family's possession until such time as the growth of the population or the need to allocate a lot to a relative who had been temporarily absent made a repartitioning necessary. Frequently, however, new claims were satisfied not by a general repartitioning, but by allocating new parcels of uncultivated communal land. In this way, the familial lots of land were often – in fact, if not in law – theirs for life, and even inheritable. Alongside this unevenly partitioned communal land, forests, marshes, fields, and uncultivated land still belonged in common to all the families, who likewise utilized them collectively. This unusual communistic organization based on inequality came into contradiction with new interests. With each new generation, determining the degree of kinship became more difficult, the tradition of blood ties faded, and the inequality of the familial lots of land was increasingly felt as an injustice by those disadvantaged by it. In many regions, on the other hand, a mixing of the population unavoidably took place, whether because of the departure of some of the kinship group, because of war and extermination of another part of the population, or because of the settlement and acceptance of new arrivals. Thus, the population of the community, despite all the apparent immobility and immutability of their conditions, was indeed subdivided according to the quality of the soil into fields (*wund*), each family receiving a few strips of land both in the better, irrigated fields (which were called *sholgura* from *shola*, or rice) and in the inferior ones (*culmee*). Reallocations were not originally periodic, at least before the English conquest, but took place each time population growth caused a real inequality in the economic situation of the families. This was especially true in communities rich in land, which had a supply of utilizable fields. In smaller communities, repartitioning occurred every ten, eight or five years, often every year. This was particularly the case where there was a lack of good fields, making equal distribution each year to all members of the mark impossible, so that only by rotating the use of the various fields could an equitable balance be achieved. Thus, the Indian tribal community ends, as it is disintegrating, by assuming the form that is historically established as the original German mark community.

With British India and Algeria, we see two classic examples of the desperate struggle and the tragic end of the ancient communist economic organization through contact with European capitalism. The picture of the changeable fate of the mark community would not be complete if we failed to take into consideration the remarkable example of a country where history apparently took an entirely different course. In this case, the state did not seek to destroy the communal property of the peasants through force, but on the contrary, attempted to rescue and preserve it with all the means at its disposal. This country is tsarist Russia.

We do not need to concern ourselves here with the enormous theoretical debate on the origins of the Russian peasant commune that has gone on for decades. It was only natural, in complete accord with the general hostile attitude toward primitive communism among contemporary bourgeois scholarship, that the “discovery” by the Russian Professor [Boris] Chicherin in 1858, according to whom the agricultural commune in Russia was not an original historical product at all, but supposedly an artificial product of the fiscal policy of tsarism, should have achieved such a favorable reception and acceptance among German scholars. Chicherin, who yet again provides proof that liberal scholars are, as historians, for the most part much more ineffectual than their reactionary colleagues, still accepts the theory, which has already been definitively abandoned for Western Europe since Maurer, that the Russians settled in individual settlements from which communes developed, supposedly only in the sixteenth and seventeenth centuries. In this connection, Chicherin derives collective farming and the imposition of plots of land from the crop rotation of strips of the common land, collective ownership of the land likewise from boundary disputes, and the public power of the mark community from the collective burden of the poll tax introduced in the sixteenth century. Thus, in a typically liberal fashion, he more or less turns all historical contexts, causes and consequences upside down.

Whatever one thinks about the antiquity of the peasant agricultural commune and its origins, it has, in any case, outlived the whole long history of serfdom as well as its dissolution, through to most recent times. We shall deal here only with its fate in the nineteenth century.

When Tsar Alexander II enacted his so-called “emancipation” of the peasants, their own land was sold to them by the lords – following completely the Prussian example – with the latter being well indemnified by the treasury in bonds for the worst areas of the land they allegedly owned, imposing a debt of 900 million rubles, to be repaid at an annual rate of 6 percent within forty-nine years. This land was not, as in Prussia, assigned to individual peasant families as private property, but to whole communities as inalienable and unmortgageable communal property. The entire community took joint responsibility for the debt repayment, just as they had for the various taxes and dues, and had a free hand in assessing the shares of its individual members. This was the arrangement made for the entire massive area of the Great Russian peasantry. In the early 1890s, the distribution of landownership in European Russia (leaving out Poland, Finland, and the region of the Don Cossacks) was as follows: public domains, consisting mostly of enormous forest regions in the north and of wastelands, encompassed 150 million *dessiatines*; imperial appanages, 7 million; church and municipal property, somewhat less than 9 million; in private ownership, 93 million (only 5 percent of this belonging to the peasants, the rest to the aristocracy), while 131 million *dessiatines* were communal peasant property. As late as 1900, there were 122 million hectares of communal peasant property, against only 22 million that were the property of individual peasants.

Looking at the economy of the Russian peasantry in this enormous area, as it existed until recently and in part still exists today, it is again easy to recognize the typical structures of the mark community, as these existed in Germany and Africa, on the Ganges and in Peru. The mark’s fields were partitioned, while forests, grasslands and bodies of water were undivided communal land. With the general prevalence of the primitive three-field crop rotation, summer and winter fields were divided according to soil quality into strips (“charts”), and each strip into smaller segments. The summer strips were distributed in April and the winter ones in June. With scrupulous observation of equal land distribution, the diversity of crops had become so developed that in the Moscow province, for example, there were in both the summer

and winter fields an average of eleven strips each, so that each peasant had at least twenty-two scattered parcels of land to cultivate. The community usually reserved plots of land for emergency communal purposes, or laid up stocks for the same purpose, to which each individual member had to supply grain. The technical progress of the economy was ensured by each peasant family being able to keep their land for ten years on condition that they fertilized it, or each field being divided from the start into parcels of land that were fertilized from the outset and only repartitioned every ten years. Most of the flax fields and the fruit and vegetable gardens were subject to the same rule.

The allocation of various meadows and pastures for the community herds, the marking of herds, the fencing of meadows and the protection of fields, as well as decisions over system of rotation, the time for particular field work, and the date and method of repartitioning – all of this was a matter for the community, or more specifically, the village assembly. As far as the frequency of repartitioning was concerned, there was great diversity. In one particular province, for example, Saratov, nearly half of the 278 village communities studied in 1877 undertook a reallocation each year, while the remainder did this every two, three, five, six, eight or eleven years. At the same time, thirty-eight communities that practiced collective fertilization had given up repartitioning altogether.

What is most remarkable about the Russian mark community is the method of land apportionment. The principle of equal lots common among the Germans was not prevalent in the Russian case, nor was a determination based on the needs of the particular family, as in Peru. Instead, the principle of taxability was the single determining factor. The government's concern with taxation continued to dominate the life of the commune after the peasants' "emancipation," and all the village institutions revolved around taxation. For the tsarist government, taxation was based on the so-called "audited souls," that is, all the male inhabitants of the community without distinction of age, as determined every twenty years, since the first peasant census under Peter the Great, by the famous "audits" that were the terror of the Russian people and tore whole communities apart.

The government taxed the villages on the basis of the number of audited "souls." Yet the commune allocated the total amount of tax for which it was liable on peasant households according to their number of workers, and it was the tax capacity measured in this way that determined each household's portion of land. Rather than a basis of sustenance for the peasants, land allocation in Russia after 1861 was a basis of taxation. It was not a benefit to which each household was entitled, but an obligation imposed on every member of the commune as a state service. There was nothing more strange than the Russian village assembly for the partitioning of land. From all sides could be heard protests against the allocation of too large parcels of land – poor families with no real workers, made up predominantly of women or children, were generally spared from being allocated a parcel of land, on grounds of "powerlessness," while larger allotments were forced on wealthy peasants by the mass of poorer peasants. The tax burden that is so central to Russian village life is also enormous. On top of the debt repayments, there were also poll taxes, a village tax, church tax, salt tax, etc. In the 1880s, the poll tax and salt tax were abolished, yet the tax burden remained so enormous that it devoured all of the peasantry's economic resources. According to a statistic from the 1890s, 70 percent of the peasantry drew less than a minimum existence from their land allotments, 20 percent were able to feed themselves, but not to keep livestock, while only 9 percent had a surplus above their own needs that could be taken to market. Tax arrears were therefore a frequent phenomenon of the Russian village from the "emancipation" onwards. Already in the 1870s,

an average yearly intake of fifty million rubles from the poll tax was accompanied by an annual deficit of eleven million rubles. After the poll tax was lifted, the poverty of the Russian village continued to grow, due to the simultaneous escalation of indirect taxation from the eighties onward. In 1904, the tax arrears amounted to 127 million rubles, a debt that was almost completely cancelled because collecting it had become totally impossible and because of the general revolutionary ferment. The taxes not only ate up all of the peasants' income, they also forced them to seek side occupations. One of these was seasonal farm labor, which brought whole migrations of people into the Russian hinterland, the strongest male villagers moving to the large aristocratic estates to be hired as day laborers, while their own fields back home were left in the weaker hands of older, female, and adolescent workers. The beckoning of the city with its manufacturing industries offered another possibility. In the central industrial region, therefore, a class of temporary workers formed who moved to the city only for the winter, mostly to textile factories, returning to their villages with their earnings in the spring to work in the fields. Finally, in many districts, there was industrial domestic work or occasional agricultural work on the side, such as transport or chopping wood. And even with all of this, the large majority of the peasant masses could hardly support themselves. Not only was the whole agricultural yield swallowed by taxation, but their extra earnings as well. The mark community, which was collectively liable for the taxes, was equipped with strong means of enforcement vis-à-vis its members. It could hire out those in arrears with their taxes for wage labor, and requisition their earned income. It issued or refused internal passports to its members, without which a peasant was unable to leave the village. Finally, it had the legal right to inflict corporal punishment on those whose taxes were intractably in arrears. Periodically, this made the Russian village in the enormous stretches of the Russian interior a horrific sight. Upon the arrival of the tax collectors, a procedure began for which tsarist Russia coined the term "flogging out those in arrears." The entire village assembly appeared, the "evaders" had to take off their trousers and lay down on a bench, whereupon they were brutally beaten with a birch by their fellow mark members, one after the other. The moaning and weeping of those being thrashed – most often bearded family fathers, even white-haired old men – accompanied the higher authorities, who, after they had completed their task with the ringing of bells, went off in their troikas to hunt in another community and carry out the same punishments. It was not uncommon for a peasant to spare himself this public punishment by committing suicide. Another unique product of those circumstances was the "tax beggar," an impoverished old peasant who took to begging as a tramp in order to cobble together the taxes due and bring them back to the village. The state watched over the mark community, which had been turned into a tax machine, with severity and persistence. A law of 1881, for example, decreed that the community could only sell agricultural land if two-thirds of the peasants made that decision, after which it was still necessary to get the consent of the ministry of the interior, the ministry of finance, and the ministry of crown lands. Individual peasants were allowed to sell their inherited lands only to other members of the mark community. Taking on a mortgage was forbidden. Under Alexander III, the village community was robbed of all autonomy and placed under the thumb of "land captains," an institution similar to the Prussian district administrators. Decisions made by the village assembly required the consent of these officials; repartitionings of land were undertaken under their supervision, as were tax assessment and debt collection. The law of 1893 made a partial concession to time pressure by declaring repartitionings permissible only every twelve years. Yet, at the same time, withdrawing from the mark community required the consent of the community and was allowed only on

condition that the person involved contributed his individual portion of the repayment debt in full.

Despite all of these artificial legal binds that squeezed the village community, despite the guardianship of three ministries and a swarm of *chinovniks* [petty officials], the dissolution of the mark community could no longer be prevented. There was the crushing tax burden; the deterioration of the peasant economy as a result of the side activities in agricultural and industrial work; a shortage of land, especially pasture and forest, which had already been grabbed by the aristocracy at the time of emancipation, and a shortage of arable fields due to increasing population. All of this had two critical effects: the flight to the city and the rise of usury within the village. To the extent that the combination of peasant farming and outside work in industry or elsewhere increasingly served only to pay the tax burden, without ever providing a real subsistence, membership in the mark community became like an iron chain of hunger around the necks of the peasants. The natural desire of the poorer members of the community was to escape from this chain. Hundreds of fugitives were returned by the police to their communities as undocumented vagabonds, then made an example of by being beaten on a bench with rods by their mark comrades. But even the rods and the enforcement of passport controls proved powerless against the mass flight of the peasants, who fled from the hell of their “village communism” to the city under cover of darkness, to plunge definitively into the sea of the industrial proletariat. Others, for whom family bonds or other circumstances made escape inadvisable, sought to accomplish their exit from the agricultural commune by legal means. To achieve this, they had to contribute their share of the debt repayment, and were assisted here by moneylenders. Early on, not only the tax burden but the forced sale of grain on the most unacceptable terms in order to repay these debts exposed the Russian peasant to usurers. Every emergency, every bad crop made resort to them unavoidable. And ultimately, even emancipation from the yoke of the community was unattainable for most unless they put themselves under the new yoke of the usurer, paying dues and other services for an incalculable length of time. While the impoverished peasants sought to flee the mark community in order to free themselves from misery, many wealthy peasants simply turned their backs on it and left the commune in order to escape responsibility for the taxes of the poor. But even where there was less official departure of wealthy peasants, these individuals, who were in large part also the village usurers, formed a ruling power over the peasant masses, and knew how to extract decisions convenient to themselves from the indebted, dependent majority. Thus, in the womb of a village community officially based on equality and communal property, there grew a clear division of classes into a small but influential village bourgeoisie and a mass of dependent and effectively proletarianized peasants. The internal breakup of the village commune – crushed by taxes, eaten by usurers, and internally divided – eventually made waves outside as well: famine and peasant revolts were frequent occurrences in Russia in the 1880s, being put down by the provincial administrations with the same implacability as the tax executors and the military showed when coming to “pacify” the village. In many regions, Russian fields became the scene of horrific death by starvation and bloody turmoil. The Russian *muzhik* [peasant] experienced the fate of the Indian peasant, and Orissa here is Saratov, Samara, and so on down the Volga. When the revolution of the urban proletariat finally broke out in Russia in 1904 and 1905, the peasant insurrections, which had been chaotic up to that point, became a political factor by their sheer weight, tipping the scales of revolution and making the agricultural question a central issue. Now, as the peasants poured over the aristocratic estates like an irresistible flood, setting the “aristocrats’ nests” on fire with their cry for land, while the workers’ party

formulated the distress of the peasantry into a revolutionary demand to expropriate state property and the landed estates without compensation and to place them into the hands of the peasants, tsarism finally retreated from the centuries-old agrarian policies that it had pursued with such iron persistence. The mark community could no longer be resuscitated; it had to be abandoned. Already in 1902, the axe was taken to the very roots of the village community in its specific Russian incarnation, with the abolition of collective liability for taxes. Of course, this measure was actively prepared by the financial policies of tsarism itself. The treasury could easily forgo collective liability when it came to direct taxation, now that indirect taxation had reached such a level that in the budget of 1906, for example, out of a total revenue of 2,030 million rubles, only 148 million came from direct taxes and 1,100 million from indirect taxes, including 558 million from the spirits monopoly alone, a tax that was implemented by the "liberal" minister, Count Witte, to combat drunkenness. The poverty, hopelessness, and ignorance of the peasants offered the most reliable form of collective liability for punctual payment of *this* tax. In 1905 and 1906, the remaining debt in repayment for emancipation was halved, and it was cancelled altogether in 1907. The "agrarian reform" implemented in 1907 then had the avowed aim of creating private peasant property. The means for this were to come from the parceling of domains, appanages, and, in part, landed estates. Thus, the proletarian revolution of the twentieth century, even in its first, incomplete phase, had already destroyed, at the same time, the last remainders of bondage and the mark community, which had been artificially preserved by tsarism.

### 3.3

[Section 3.2 was not labeled in the ebook version on which this file is based, either because of a publisher's error or because Luxemburg's manuscript doesn't have the section – red texts]

With the Russian village commune, the varied fate of primitive agrarian communism comes to an end; the circle is closed. Beginning as a natural product of social development, as the best guarantee of economic progress, and of the material and intellectual flourishing of society, the mark community ends here as an abused tool of political and economic backwardness. The Russian peasant, who is beaten with rods by his fellow community members in the service of tsarist absolutism, offers the most horrific historical critique of the limits of primitive communism and the most evident expression of the fact that even this social form is subject to the dialectical law that reason becomes unreason, a benefit becomes a scourge.

Two facts spring to mind on close contemplation of the fate of the mark community in various countries and continents. Far from being a rigid, unchangeable pattern, this highest and final form of the primitive communist economic system displays above all endless diversity, flexibility and adaptability, as seen in its various forms. In each context, and under all circumstances, it undergoes a silent process of transformation, which, because of its slow pace, may be hardly apparent at first from the outside. Inside the society, however, new forms are always replacing old ones and it accordingly survives under any political superstructure of native or foreign institutions, its economic and social life constantly developing and decaying, advancing and declining.

At the same time, this social form shows an extraordinary tenacity and stability precisely because of its elasticity and adaptability. It defies all the storms of political history; or rather it tolerates them passively, lets them pass and patiently endures for centuries the strains of every form of conquest, foreign rule, despotism and

exploitation. There is only one contact that it cannot tolerate or overcome – contact with European civilization, i.e. with capitalism. This encounter is deadly for the old society, universally and without exception, and it accomplishes what millennia and the most savage Oriental conquerors could not: the dissolution of the whole social structure from the inside, tearing apart all traditional bonds and transforming the society in a short period of time into a shapeless pile of rubble.

But this deadly breeze from European capitalism is simply the last and not the sole factor that brings about the inevitable decline of primitive society. The seeds of this lie within the society itself. If we take the various paths of its decline together, those that we know from a number of examples, this establishes a certain historical order of succession. Communist ownership of the means of production, as the basis of a rigorously organized economy, offered the most productive social labor process and the best material assurance of its continuity and development for many epochs. But even the progress in labor productivity that it secured, albeit slowly, necessarily came into conflict with the communistic organization over time. After the decisive progress to a higher form of agriculture, with the use of the ploughshare, had been accomplished and the mark community had retained its solid form on this basis, the next step in the development of the technology of production after a certain amount of time necessitated a more *intensive* land cultivation, which could only be achieved at that stage of agricultural technology by more intensive smallholding and by a stronger and closer relationship of the individual laborer to the soil. Longer use of the same parcel of land by a single peasant family became the precondition for its more careful treatment. In both Germany and Russia, fertilization of the soil led to the gradual abandonment of land repartitioning. In general, we can identify a trait that is constant everywhere in the life of the mark community: the movement toward increasingly long intervals between land reallocations, universally leading sooner or later to a transition from allotted land to inherited land. In the same way that the transformation of communal property into private property keeps pace with the intensification of labor, it is noticeable that forest and pasture remained communal the longest, while intensively worked farmland led first to the partitioned mark and then to hereditary property. Establishing private property in parcels of arable land does not completely abolish the entire communal economic organization, which continues to be upheld by crop rotation and enforced in forest and pastoral communities. The economic and social equality at the heart of ancient society are still not destroyed by it either. Initially forms what comes into being is a mass of small peasants, equal in their living conditions, who can generally continue to work and live for centuries according to their old traditions. Yet the inheritability of property certainly opens the gates to future inequality, by the heritability of holdings and the primogeniture or other settlements that follow from this, subsequently by their salability or general alienability.

The undermining of the traditional social organization by the processes referred to above proceeds extremely slowly. There are other historical factors at work that accomplish this more quickly and thoroughly, in particular large-scale public works projects, which the mark community with its narrow limits is unable to tackle by its very nature. We have already seen the critical importance that artificial irrigation has for agriculture in the Orient. The great intensification of labor and powerful rise in productivity here led to quite different far-reaching results than the changeover to fertilization in the West. From the outset, artificial irrigation work is a mass work and a large-scale undertaking. Precisely because of this, there is no suitable institution for it within the organization of the mark community, so that special institutions standing above this had to be created. We know that the direction of public

waterworks lay at the root of the domination by the priests and every Oriental power. But also in the West, and more generally, there are various public matters that, though simple in comparison to contemporary state organization, had nevertheless to be seen to in every primitive society. These grew with the development and progress of the society, therefore eventually requiring special organs. On all sides – from Germany to Peru, from India to Algeria – we can define the path of development as the tendency in primitive societies to transform elected public offices to inherited ones.

Initially, however, this turnaround, proceeding slowly and imperceptibly, is still not a break with the foundations of communistic society. Rather, the inheritability of these public offices is a natural result of the fact that here too, by the very nature of primitive societies, collective experience, tradition and personal, ensures the successful handling of such offices. Over time, however, the inheritability of the offices leads unavoidably to the creation of a small local aristocracy, former servants of the community becoming its rulers. The undivided mark lands, the *ager publicus* of the Romans, to which power adhered, served as the economic basis for advancing the status of this aristocracy. Theft of the undemarcated or unused lands of the mark is the common method of all indigenous and foreign rulers, who vault above the peasant masses and subjugate them politically. If the people in question are isolated from the major centers of civilization, the aristocracy may not distinguish itself very greatly in its lifestyle from that of the masses, and may still directly take part in the production process, while a certain democratic simplicity of customs covers up differences in wealth. This is the case with the tribal aristocracy of the Yakut people, which is merely endowed with more livestock than the ordinary people, and more influence in public affairs. Following an encounter with more civilized peoples, however, and vigorous trade, refined taste and relief from labor are soon added to the privileges of the aristocracy, and a true class differentiation takes place in society. The most typical example is Greece in the post-Homeric period.

Thus the division of labor at the heart of primitive society unavoidably leads, sooner or later, to the breakup of political and economic equality from inside. One public undertaking, however, plays an important role in this process and accomplishes the work more aggressively than do public offices of a peaceful nature. This is warfare. It is originally a mass affair of the society in question, subsequently turned, in the wake of advances in production, into the speciality of certain circles within primitive society in question. The more advanced, continuous and systematic the labor process of the society, the less it tolerates the irregularities and the drain of time and energy resulting from war. If occasional military campaigns are a direct result of the economic system of hunting and nomadic herding, agriculture goes together with a great peacefulness and passivity among the mass of society, so that a special caste of warriors is often needed for protection. In one way or another, the existence of war, itself just an expression of the limits of labor productivity, plays an important role for all primitive peoples and universally leads over time to a new form of division of labor. The separation of a military aristocracy or military leadership is the hardest blow that the social equality of the primitive society must endure. This is why, wherever we learn of primitive societies, either as survivals from past history or still existing today, we almost never come across any longer such free and equal relations as Morgan was able to convey to us with the serendipitous example of the Iroquois. On the contrary, inequality and exploitation are everywhere characteristics of the primitive societies we encounter, being the product of a long history of disintegration, whether it is a matter of the ruling castes of the Orient, the tribal aristocracy of the Yakuts, the “great clansmen” of the Scottish Celts, the military aristocracy of the Greeks, Romans and migrating Germans, or lastly, to the petty despots of the African

empires.

If we look, for example, at the famous empire of Mwata Kazembe in south-central Africa, to the east of the Lunda empire, into which the Portuguese penetrated at the beginning of the nineteenth century, we can see, right in the heart of Africa, in a region hardly touched by Europeans, primitive Negro social relations in which there is no longer much equality or freedom to be found. The 1831 expedition of Major [José] Monteiro and Captain [António] Gamitto, undertaken from the Zambezi into the interior for scientific and trading purposes, depicts this as follows. Initially, the expedition came into the land of the Marawi, primitive hoe farmers living in small, conical palisade houses and wearing only a loincloth on their bodies. At the time that Monteiro and Gamitto traveled through Malawiland, it was under the rule of a despotic leader who went by the title *nede*. He adjudicated all disputes in his capital city, Muzenda, and no disputing his decision was allowed. True to form, he convened a council of elders who were required, however, to agree with his opinion. The land was divided into provinces, which were governed by *mambos*, and these were then further divided into districts that were led by *funos*. All of these titles were hereditary.

On the eighth of August we reached the residence of Mukanda, the powerful leader of the Chewa. Mukanda, who had been sent a gift of various cotton goods, red cloth, a number of pearls, salt and cowries, came on the following day, riding into the encampment on a black man. Mukanda was a man sixty or seventy years old, with a pleasant, majestic appearance. His only garment consisted of a dirty cloth that he had wrapped around his hips. He stayed for about two hours and, when he was leaving, asked everyone in a friendly and irresistible manner for a gift ... The burial of the Chewa leaders is accompanied by extremely barbaric ceremonies. All of the wives of the departed are locked up with the corpse in the same hut until everything is ready for the burial. Then the funeral cortege moves ... toward the crypt, and once it arrives, the favorite wife of the deceased, along with some others, climb into the crypt and sit down with their legs outstretched. This living foundation is then covered with draping and the cadaver laid on top of them, along with six other women who are thrown into the crypt after having their necks broken. Once the grave is covered, the terrifying ceremony ends with the impaling of two male youths, who are arranged on top of the grave, one at the head with a drum, the other at the feet with a bow and arrow. Major Monteiro, during his stay in Chewaland, was a witness to one such burial.

From here they went uphill into the middle of the empire. The Portuguese came to

a barren region, situated high up and almost entirely lacking in foodstuffs. Everywhere can be seen the signs of destruction by previous military campaigns, and famine plagued the expedition to a disturbing degree. Messengers were sent with a few gifts to the next *mambo*, in expectation of guides, but the messengers returned with the dispiriting news that they had encountered the *mambo* and his family close to starvation and death, completely alone in the village ... Even before reaching the heart of the empire, samples of the barbarian justice that was part of everyday life there could be seen. It was common to encounter young people whose noses, hands, ears and other appendages had been cut off as punishment for some minor offence. On the nineteenth of November we entered the capital city, where the donkey that Captain Gamitto was riding caused a stir. Soon we arrived at a road about forty-five minutes long that was fenced in on both sides by two or three meter-high fences made of interwoven poles so

elaborately constructed that they looked like walls. In these straw walls there were small open doors spaced apart from each other. At the end of the road, there was a small square hut open only to the west, in the middle of which stood a human figure crudely carved out of wood, seventy centimeters tall, on a wooden pedestal. In front of the open side lay a heap of more than 300 skulls. Here, the road turned into a large square area, at the end of which was a large forest only separated from the square by a fence. On the outside of it, on both sides of the gate, was a line tied on either side of the gate with thirty skulls strung onto it by way of ornamentation ... Following this was the reception at Mwata's with all barbarian pageantry and surrounded by his army of between five and six thousand men. He sat on a chair covered by a green cloth spread over a pile of leopard and lion skins. His head covering consisted of a scarlet conical cap, which was composed of half-meter long feathers. Wrapped around his forehead was a diadem made of glimmering stone; his neck and shoulders were covered by a kind of necklace made of shells, square pieces of mirror, and faux gems. Each of his arms was wrapped in a piece of blue cloth, decorated with fur, and his forearms also had ornamental strings made of blue stones. A yellow-, red- and blue-fringed cloth held together by a belt covered his lower body. His legs, like his arms, were decorated with blue jewels.

Mwata proudly sat there with seven parasols protecting him from the sun and swung around the tail of a wildebeest for a scepter, while twelve Negroes armed with brooms were busy removing every piece of dust from the ground, every impurity from his holy vicinity. A rather complicated court surrounded the ruler. First, guarding his throne were two rows of figures, forty centimeters high, in the shape of the upper body of a Negro adorned with animal horns, while between these figures sat two Negroes who burned aromatic leaves in coal pans. The place of honor was occupied by the two main wives, the first dressed more or less like Mwata. In the background, the harem of 400 women was assembled, and indeed these women were completely naked, apart from the aprons on their lower bodies. In addition, there were two hundred black women who stood waiting for the slightest command. Inside the quadrangle built by women sat the highest dignitaries of the kingdom, the *kilolo*, sitting on lion and leopard skins, each with an umbrella and dressed similarly to Mwata. There were also several corps of musicians, who made a deafening noise with their strangely shaped instruments, while a few court jesters, dressed in animal pelts and horns, ran around completing the entourage of Kazembe who, armed in this dignified manner, awaited the Portuguese advance. Mwata is the absolute ruler of this people, his title meaning simply "lord." Underneath him are the *kilolo*, or the aristocrats, who are in turn divided into two classes. Among the more noble aristocrats are the crown prince, Mwata's closest relatives, and the high commanders of his army. But the very lives and property of these nobles exist only due to Mwata's absolute power.

If this tyrant is in a bad mood, he will have a person's ears cut off if he does not understand a command and asks for it to be repeated, "in order to teach him to listen more carefully." Every theft in his kingdom is punished by the amputation of the ears and hands; anyone who approaches one of his women or attempts to talk to her is killed or has all his limbs hobbled. The reputation he has among this superstitious people is that one cannot touch him without falling prey to his magical powers. Since it is impossible to avoid all contact with him, the people have discovered a means to avoid death. Anyone who has dealings with him kneels down before him, and the lord lays the palm of his hand in a mysterious manner on the kneeler and thereby absolves him from the death curse.

This is a picture of a society that has moved a long way away from the original foundations of every primitive community, from equality and democracy. It should not, however, be a foregone conclusion that under this kind of political despotism, the relations of the mark community, the communal ownership of the land or communally organized labor cease to exist. The Portuguese intruders, who recorded precisely the superficial rubbish about costume and courtesans, have, like all Europeans, no eyes, no interest and no frame of reference when it comes to things that run counter to the European system of private ownership. In any case, the social inequality and despotism of primitive societies are completely distinct from the inequality that is common in civilized societies and transplanted now onto the primitive. The increase in status of the primitive aristocracy and the despotic power of the primitive leader are all natural products of this society, like all of its other conditions of life. They are only another expression of the helplessness of the society with respect to its natural surroundings and to its own social relations, a helplessness that appears both in magical cult practices and in the periodic famines that either partly or completely starve the despotic leader along with the mass of his subjects. This rule by an aristocracy and a chief is therefore in complete harmony with the other material and intellectual aspects of the society, as is clear from the significant fact that the political power of the primitive ruler is always closely bound up with the primitive nature religion, with the cult of the dead, and is sustained by it.

From this standpoint, Mwata Kazembe is the Lunda, whom fourteen wives follow alive into the grave and who rules over the life and death of his subjects according to his erratic moods, because he believes himself to be a magician, this being his people's rock-solid conviction. The despotic "Prince Kasongo" on the Lomami river who, forty years later, with great dignity among his noblemen and his people, performed, by way of greeting the Englishman [Verney Lovett] Cameron, a hopping dance with his two naked daughters in a woman's skirt braided with monkey skins and with a filthy handkerchief on his head, is in fact a much less absurd and insanely comical phenomenon than the ruler "by the grace of God" over sixty-seven million members of a people who produced the likes of [Immanuel] Kant, [Hermann von] Helmholtz and [Johann Wolfgang von] Goethe. And yet even the worst enemy of this ruler could not call him a magician.

Primitive communist society, through its own internal development, leads to the formation of inequality and despotism. It has not yet disappeared; on the contrary, it can persist for many thousands of years under these primitive conditions. Such societies, however, sooner or later succumb to foreign occupation and then undergo a more or less far-reaching social reorganization. Foreign rule by Muslims is of special historical significance, since it predated European rule in vast stretches of Asia and Africa. Everywhere that nomadic Islamic peoples – whether Mongol or Arab – instituted and secured their foreign rule, a social process began that Henry Maine and Maksim Kovalevsky called the *feudalization* of the land. They did not make the land their own property, but instead turned their attention to two objectives, the collection of taxes and the military consolidation of their domination over the country. Both goals were served by a specific administrative-military organization, under which the land was divided into several ethnic groups and given as fiefdoms of a kind to Muslim officials, who were also tax collectors and military administrators. Large portions of uncultivated mark lands were utilized for the founding of military colonies. These institutions, together with the spread of Islam, implemented a profound change in the general conditions of existence of primitive societies. Only their economic conditions were little changed. The foundations and the organization of production remained the same and persisted for many centuries, despite exploitation and military

pressure. Of course, Muslim rule was not always so considerate of the living conditions of the natives. For example, the Arabs on the east coast of Africa operated for centuries from the Zanzibar sultanate an extensive slave trade in Negroes, which led to frequent slave raids into the interior of Africa, the depopulation and destruction of whole African villages, and an escalation of despotic violence by the native chiefs, who found an enticing business venture in selling their own subjects or the subjugated members of neighboring tribes. Yet this transformation in conditions, which had such a profound effect on the fate of African society, was only accomplished as a further consequence of European influence: the slave trade in Negroes developed only after the discoveries and conquests of the Europeans in the sixteenth century, in order to service the plantations and mines exploited by the Europeans that were in full bloom in America and Asia.

The intrusion of European civilization was a disaster in every sense for primitive social relations. The European conquerors are the first who are not merely after subjugation and economic exploitation, but seize the very means of production, by ripping the land from under the feet of the native population. In this way, European capitalism deprives the primitive social order of its foundation. What emerges is something that is worse than all oppression and exploitation, total anarchy and that specifically European phenomenon of the uncertainty of social existence. The subjugated peoples, separated from their means of production, are regarded by European capitalism as mere laborers; if they are useful for this end, they are made into slaves, and if they are not, they are exterminated. We have witnessed this method in the Spanish, English, and French colonies. Before the advance of capitalism, the primitive social order, which outlasted all previous historical phases, capitulates. Its last remnants are eradicated from the earth and its elements – labor-power and means of production – are absorbed by capitalism. Early communist society fell everywhere, in the last instance, because it was made obsolete by economic progress, making room for new prospects of development. This development and progress are represented for a long time by the base methods of a class society, until this too is made obsolete and pushed aside by further progress. Here too, violence is merely the servant of economic development.

#### **4. Commodity production**

The task we have set ourselves is as follows. A society cannot exist without common labor, i.e. without labor with a plan and organization. And we have found various different forms of this, in all eras. In present-day society we hardly find it at all: neither rule nor law, nor democracy, no trace of plan and organization – anarchy. How is capitalist society possible?

##### **4.1**

In order to trace the construction of the capitalist tower of Babel, let us imagine once again a society with a planned organization of labor. This may be a society with a highly developed division of labor, in which not only agriculture and industry are separate, but each particular branch of both has also become the speciality of a particular group of working people. In this society there are for example agriculturalists and foresters, fisherfolk and gardeners, shoemakers and tailors, locksmiths and blacksmiths, spinners and weavers, etc. etc. This society, taken as a whole, is endowed with every kind of work and every kind of product. These products are distributed in greater or lesser amounts to all members of society, as labor is communal; it is divided and organized from the start in a planned way by some kind of authority – whether this is the despotic law of the government, or serfdom, or any other kind of

organization. For simplification, however, we assume that it is a communist community with communal property, as we are already familiar with from the Indian example. We only presuppose for the time being that the division of labor within this community is far more developed than was historically the case, and assume that one part of the members of the community devote themselves exclusively to agriculture, while other kinds of labor are all performed by specialist artisans. The economy of this community is quite clear to us: it is the community members themselves who possess the land and the means of production in common, and their common will also determines what, when and how much of each product is to be produced. The mass of finished products, moreover, since these belong equally to all, are distributed among everyone according to need. Now, however, imagine that one fine day, in the communist community with this arrangement, common property ceases to exist, and along with it also common labor and the common will that regulates this. The highly developed division of labor that has been attained obviously remains. The shoemaker still sits at his last, the baker has nothing and knows nothing except his oven, the smith has only his smithy and only knows how to swing a hammer, etc. etc. But the chain that formerly connected all these special labors into a common labor, into the societal economy, is broken. Each person is now on his own: the farmer, the shoemaker, the baker, the locksmith, the weaver, etc. Each is completely free and independent. The community no longer has anything to say to him, no one can order him to work for the whole, nor does anyone bother about his needs. The community that was previously a whole has been broken up into individual little particles or atoms, like a mirror shattered into a thousand splinters; each person now floats like a piece of dust in the air, as it were, and wonders how he will manage. What happens now to the community that has been struck overnight by such a catastrophe? What will all these people left to their own devices do the next day? One thing is certain right away – they will carry on working, exactly as they did previously. For as long as human needs cannot be satisfied without labor, every human society has to work. Whatever transformations and changes may take place in society, labor cannot cease for a moment. The former members of the communist community, therefore, even after the ties between them have been broken and they are left completely to themselves, will certainly each carry on working, and since we have assumed that all labor is already specialized, each of them will continue to pursue only that work that has become his speciality and for which he has the means of production: the shoemaker will make boots, the baker will bake bread, the weaver produce cloth, the farmer grow corn, etc. But a difficulty now immediately arises. Each of these producers, despite producing extremely important and immediately needed objects of use – each of these specialists, the shoemaker, the baker, the smith, the weaver – were until yesterday all equally esteemed useful members of society, and could not get by without society. Each had his important place in the whole. Now, however, the whole no longer exists, each person exists only for himself. But none of them can live alone, simply from the products of their own labor. The shoemaker cannot eat his boots, the baker cannot satisfy all his needs with bread, and even the farmer with the fullest barn of corn would die from hunger and cold if he had nothing but corn. Each person has many needs, and can only satisfy a particular one of these. Each accordingly needs a certain quantity of the products of all others. They are all dependent on one another. But how is this to be managed, since we know that no connections and ties between the individual producers exist any more? The shoemaker urgently needs bread from the baker, but has no means of obtaining this bread; he cannot force the baker to supply him, as both alike are free and independent people. If he wants to enjoy the proceeds of the baker's labor, this can evidently be based only on reciprocity, i.e., if he

supplies the baker in turn with a product useful to him. But the baker also needs the products of the shoemaker, and finds himself in just the same situation as the latter. This indicates the basis for reciprocity. The shoemaker gives the baker boots so as to receive bread in return. Shoemaker and baker exchange their products, and both can now satisfy their needs. It turns out that, given a highly developed division of labor, a complete independence of the producers from one another and the absence of any kind of organization between them, the only way of making the products of different labors accessible to all is – *exchange*. The shoemaker, the baker, the farmer, the spinner, the weaver, the locksmith – all reciprocally exchange their products, and in this way satisfy all their various needs. Exchange creates in this way a new tie between the fragmented, individualized and separated private producers. Labor and consumption, the life of the shattered community, can start up again, as exchange has given them the possibility of once more all working for one another, it has again made possible social collaboration, social production, even in the form of fragmented private production.

But this is indeed a quite new and particular form of social collaboration, and we need to examine it more closely. Each individual person now works for himself, producing on his own account, on the basis of his own will and judgment. In order to live, he now has to produce products that he himself does not need but that others do. Each works accordingly for others. In itself, this is nothing special and nothing new. In the communist community, too, everyone works for everyone else. What is special now, however, is that each person now only hands over his product to others by way of exchange, and can only obtain the products of others likewise by exchange. Everyone must now, in order to obtain the products they need, produce by their own labor products designed for exchange. The shoemaker must continue to produce boots that he does not need himself, that are quite useless to him, a waste of labor. The only use and purpose they have for him is that he can exchange them against other products that he needs. He therefore produces his boots already with the purpose of exchange, i.e. he produces them as a commodity. Each person now can only satisfy his needs, only obtain products that others have produced, if he himself appears with a product that others need and that he has produced with his labor for this purpose; in other words, each obtains his share of the products of all others, of the social product, by himself appearing with a commodity. The product that he has made for exchange is now his right to demand a portion of the total social product. This total social product may well no longer exist in the earlier form it took in the communist community, where it directly represented in its mass and totality the wealth of the community, and was only then distributed. Everyone there worked in common on the account of the community and under the leadership of the community, so that what was produced already came into the world as a social product. The distribution of this total product to individuals occurred only subsequently, and only then did the product enter the private use of individual members of the community. Now things proceed the other way round: each produces on his own account as a private person, and it is only in exchange that the finished products together form a sum that can be viewed as social wealth. The share of each person, in both social labor and social wealth, is now represented by the special commodity that he has produced with his labor and brought for exchange with others. The share of each in the total social labor, therefore, is no longer represented in a certain quantum of labor that is allocated to him in advance, but rather in the finished product, in the commodity, that he supplies as he sees fit. If he doesn't want to work, then he doesn't need to, he can just go out for a walk and no one will scold him in the street, as did indeed happen with refractory members of the communist community, where idlers were likely to be sharply

reprimanded by the “chief inhabitant,” the head of the community, or were liable to public contempt at the community assembly. Now each person is his own unrestricted lord and master, there is no community authority. But if he does not work, he also receives nothing in exchange for the products of work. On the other hand, however, today the individual is not even sure that, no matter how diligently he works, he will receive the means of subsistence he needs; for no one is compelled to give him these, even in exchange for his products. Exchange only comes about if there is a reciprocal need. If no one in the community needs boots at the moment, the shoemaker may work ever so diligently, and produce ever such a fine product, without anyone taking it and giving him bread, meat, etc. in exchange, so that he remains without what he most needs in order to live. Here again, we see a world of difference compared with the earlier communist relations in the community. The community maintained the shoemaker because there was a general need in the community for boots. He was told by the community authority how many boots he was to produce, and he worked as it were as a community servant, a community official, everyone being in exactly this same position. But if the community kept a shoemaker, it obviously had to feed him. He received his share from the common wealth just like everyone else, and this share of his did not stand in any direct connection with his share in the total work. Of course he had to work, and he was fed because he worked, because he was a useful member of the community. But whether he had more or fewer boots to produce this particular month, even sometimes none at all, he still received the same means of subsistence, his share of the community’s total resources. Now, however, he only receives to the extent that his work is needed, i.e. to the extent that his product is accepted by others in exchange, like for like. Everyone now works just as he wants, how he wants, as much as he wants, at what he wants. The only confirmation that he has produced the right things, what society needs, that he has indeed performed socially necessary labor, is the *fact* that his product is accepted by others. Not all labor, therefore, be it ever so diligent and solid, now has a definite purpose and value in advance from the point of view of society; only a product that is exchangeable has value; a product that no one takes in exchange, no matter how solid, is valueless work, work thrown away.

Now, therefore, each person, in order to participate in the fruits of social production, must also participate in social labor, must produce commodities. But the fact that his labor actually is recognized as socially necessary labor is not something anyone tells him, but rather something he learns from his commodity being taken in exchange, being exchangeable. His share in the labor and product of the whole is thus only assured by his product’s receiving the seal of socially necessary labor, the seal of exchange-value. If his product remains unexchangeable, he has then created a worthless product, and his labor was socially superfluous. Then he is only a private shoemaker, cutting leather and cobbling boots for his own amusement, standing outside society, as it were, for society has no interest in his product, and so the products of society are unavailable to him. If today our shoemaker has been fortunate enough to make an exchange, and obtained means of subsistence in return, he can not only eat his fill and be properly clothed, but also pride himself on his way home that he has been recognized as a useful member of society, his labor recognized as necessary labor. If on the other hand he returns home with his boots, as no one wanted to relieve him of them, he has every reason to be melancholy, as he not only remains without soup, but on top of this it has more or less been explained to him, if only with a chilly silence: Society has no need of you, my friend, your labor was just not necessary, you are a superfluous person and can happily go and hang yourself. A pair of exchangeable boots, or more generally, a commodity with exchange-value, is thus all

that is needed each time for our shoemaker to be a member of society. But the baker, the weaver and the farmer – everyone – also find themselves in the same position as our shoemaker. The society that sometimes recognizes the shoemaker, and sometimes rejects him with coldness and disdain, is no more than the sum of all these individual commodity producers who work for reciprocal exchange. The sum of social labor and social product that comes into being in this way is therefore not at all the same as the sum of all the labor and products of individual members, as was earlier the case in the communistic, communal economy. For now certain individuals can work diligently, yet their product, if it finds no one to take it in exchange, is something to be thrown away and does not count at all. Only exchange determines what were necessary labors and necessary products, those that count socially. It is the same as if everyone initially worked blindly at home, in any way they chose, then brought their finished products to a place where they were inspected and received a stamp: these labors were socially necessary and are accepted in exchange, but those ones were not necessary and so are completely worthless. The stamp says: these ones have value, those are worthless and remain private pleasures – or sufferings – of the people concerned.

If we summarize the various aspects, it turns out that, by the mere fact of commodity exchange, without any other ingredient or regulation, three important relationships are determined:

1: The *share* of each member of society in social *labor*. This share, in kind and measure, is no longer allocated to him in advance by the community, but only post festum, depending on whether the finished product is accepted or not. Previously, each individual pair of boots that our shoemaker produced was immediately and in advance social labor, even when still on the last. Now his boots are initially private labor, and no one else's concern. Only subsequently are they viewed on the market, and only to the extent that they are taken in exchange is the labor spent by the shoemaker acknowledged as social labor. Otherwise they remain his private labor and are valueless.

2: The *share* of each member in social *wealth*. Previously, the shoemaker received his share of the community's finished products by way of a distribution. This share was assessed, firstly according to the general prosperity of the community, its level of wealth at this particular time, and secondly according to the needs of the members. A numerous family necessarily received more than a less numerous one. With the partitioning of conquered lands among the Germanic tribes, who arrived in Europe in the era of the great migrations and settled on the ruins of the Roman Empire, family size also played a role. The Russian commune, which still carried out redistributions of its common property here and there in the 1880s, took into consideration the number of "mouths" in each household. Under the general rule of exchange, however, any relationship between the need of a member of society and his share in wealth disappears, as does any relationship between this share and the size of the society's total wealth. Now, only the product that each member offers on the commodity market decides his share in the social wealth, and only in so far as it is accepted in exchange as socially necessary.

3: Finally, the *social division of labor* is itself regulated by exchange. Previously, the community decided that it needed so and so many farm workers, so and so many shoemakers, bakers, locksmiths and blacksmiths, etc. The correct proportion between the different trades was the responsibility of the community and its chosen officials, as it also was to make sure that all branches of labor needed were practised. They were certainly familiar with the famous case in which the representatives of a

village community asked that a locksmith condemned to death should be reprieved and a blacksmith hanged instead, as there were two blacksmiths in the village. This is a striking example of public concern for the proper division of labor in a community. (We saw, moreover, how in the Middle Ages, Charlemagne expressly prescribed the kinds of artisans for his estates, and their numbers. We also saw how in medieval towns the guild regulations made sure that particular trades were practiced in the right proportions, and artisans whom it lacked were invited in from elsewhere.) With free and unrestricted exchange, this matter is settled by exchange itself. Now no one tells our shoemaker to work. If he wants, he can produce soap bubbles or paper dragons. He can also, if he likes, abandon shoemaking for weaving, spinning, or goldsmith's work. No one tells him that society needs him in general, and needs him as a cobbler in particular. Naturally, society does have a general need for shoemaking. But no one now decides how many shoemakers will meet this need. No one tells this particular shoemaker whether he is necessary or not, whether it is not rather a weaver or a smith who is needed. But what he is not told, he learns once more simply and solely on the commodity market. If his shoes are accepted in exchange, he knows that society needs him as a shoemaker. And conversely. He can produce the best commodity, but if other shoemakers have sufficiently met the demand, his commodity is superfluous. If this happens repeatedly, he has to abandon his trade. The redundant shoemaker is expelled from society in the same mechanical way as superfluous material is expelled from the animal body. Since his work is not accepted as social labor, he is en route to extinction. The same compulsion to produce exchangeable products for others as one's own condition of existence will eventually lead our expelled shoemaker into another trade, where there is a stronger and insufficiently met demand, for example weaving or haulage, and in this way the shortage of workers here is filled. But not only is a correct proportion maintained in this way between different trades, entire trades are abolished and new ones created. If a certain social need ceases or is met by other products than previously, this is not decided by the members, as in earlier communist communities, and workers accordingly withdrawn from one trade and moved into another. It happens simply by the unexchangeability of the obsolete product. In the seventeenth century, wig making was still an essential trade in every town. But after fashions changed, and people stopped wearing wigs, this trade died a natural death, simply by the unsalability of wigs. With the development of modern urban water supply, and pipes taking water mechanically to each dwelling, the profession of water-carrier – *Wasserer* as it was known in Vienna – generally disappeared.

We can now take an opposite case. Let us assume that our shoemaker, made to feel socially unnecessary in no uncertain terms by the systematic spurning of his commodity, imagines that he is despite this an indispensable member of humanity and still wants to live. In order to live, he must, as we know and he knows, produce commodities. And he now invents a new product, let us say a beard-cover or a wonderful boot-wax. Does this mean he has created a new socially necessary branch of labor, or will he remain unrecognized, like so many great inventors of genius? Again, no one tells him, and he learns this only on the commodity market. If his new product is accepted for long enough in exchange, then this new branch of production has been recognized as socially necessary, and the social division of labor has experienced a new expansion.

You see how in our community, which, following the collapse of the communistic regime and common property, the disappearance of any kind of authority in economic life, any organization and planning in labor, any kind of connection among the individual members, initially seemed quite hopeless in the wake of this catastrophe, we

gradually see the rise again of a certain connection, a certain order, and how this happens in a completely mechanical way. Without any understanding among the individual members, without the intervention of any higher power, the individual fragments form up into a whole, as best they can. Exchange itself now regulates the whole economy mechanically, just like a kind of pump mechanism: it creates a link between the individual producers, it forces them to work, it governs their division of labor, determines their wealth and its distribution. Exchange governs society. It is of course a somewhat strange order that has now arisen before our eyes. Society now looks completely different from how it did previously under the regime of the communist community. At that time it was a compact whole, a kind of big family, whose members had all grown up together and stuck closely together, a firm organism, even perhaps an ossified one, rather immovable and rigid. Now we have an extremely loose structure, in which the individual members keep falling away and then re-assembling. We have seen, in fact, how no one tells our shoemaker *that* he should work, *what* he should work at, or *how much* he should work. On the other hand, no one asks him whether he needs sustenance, what he needs, or how much he needs. No one bothers about him, he does not exist for society. He only informs society of his existence by the fact that he appears on the commodity market with a product of his labor. If his commodity is accepted, then so too is his existence. His labor is acknowledged as socially necessary, and himself thereby acknowledged as its representative, only in so far as his boots are taken in exchange. He obtains means of subsistence from the social wealth only in so far as his boots are accepted as a commodity. He becomes a member of the society only in so far as he produces exchangeable products, commodities, and only so long as he has these and can dispose of them. Each exchangeable pair of boots makes him a member of society, and each unsalable pair excludes him once again from society. Thus the shoemaker has no connection with society as a human being, only his boots allow him to adhere to society, and they do so only in so far as they have exchange value, are saleable as a commodity. This is therefore not a permanent membership, but one that keeps on being dissolved and renewed. But as well as our shoemaker, all other commodity producers are in the same situation. And there is no one in this society but commodity producers, for it is only in exchange that one receives the means to live; in order to receive these, each person must therefore appear with commodities. Commodity production is the condition of life, and a state of society thereby comes into being in which people all lead their particular existence as completely separate individuals, who do not exist for each other, but only through their commodities attain a constantly fluctuating membership of the whole, or are again excluded from membership. This is an extremely loose and mobile society, caught up in the ceaseless whirl of its individual members.

We see that the abolition of a planned economy and the introduction of exchange brought about a complete transformation in people's social relations, turning society around from top to bottom.

## 4.2

There are great difficulties, however, with exchange being the only economic tie between the members of society, since exchange does not run as smoothly as we have just assumed. Let us look at the matter more closely.

So long as we only considered exchange between our two individual producers, the shoemaker and the baker, things were quite simple. The shoemaker cannot live from boots alone, and needs bread; the baker cannot live from bread alone, just like the Bible says, though what he needs in this case is not the word of God, but rather boots. Since there is complete reciprocity here, exchange happens easily: the bread

moves from the hands of the baker, who doesn't need it, into those of the shoemaker; the boots move from the shoemaker's workshop into the bakery. Both have their needs satisfied, and both private labors have been confirmed as socially necessary. But let us assume that this happens not just between the shoemaker and the baker, but between all members of society, i.e. between all commodity producers at once. And we have the right to assume this, indeed we are compelled to make this assumption. For all members of society have to live, they must satisfy their various needs. The production of a society, as we already said, cannot stop for a moment, since consumption does not stop for a moment. And we must now add that since production is now split into individual independent private labors, none of which is alone sufficient to satisfy a person, exchange too cannot stop for a moment – unless consumption does as well. Everyone thus continues exchanging, with all their products. How does this come about? Let us return to our example. The shoemaker not only needs the product of the baker, he would like a certain quantity of every other commodity as well. As well as bread, he needs meat from the butcher, a coat from the tailor, the material for his shirt from the weaver, a top hat from the hatter, etc. All these commodities he can only obtain by way of exchange, but all that he can offer in return is boots. For the shoemaker, accordingly, all products that he needs for his life initially have the form of boots. If he needs bread, he first makes a pair of boots; if he needs a shirt, he makes boots; if he needs a hat or a cigar, he makes boots. In his special labor, the whole social wealth accessible to him has the form of boots. It is only by exchange on the commodity market that his work can be transformed from the confined form of boots into the diverse form of means of subsistence. But in order for this transformation to actually take place, for all this diligent work of the shoemaker, which promised him every kind of life's enjoyments, not to be stuck in the form of boots, one important condition is needed, which we already know: it is necessary for all the other producers, the product of whose labor our shoemaker needs, also to need his boots and be ready to take them in exchange. The shoemaker then only obtained all these other commodities if his product, boots, was a commodity desired by all other producers. And at any particular time he only obtained the quantity of all these other commodities that he could exchange by way of his labor, if his boots were a commodity that everyone wanted at any time, i.e. a commodity desired without limit. Already in the case of the shoemaker, it was obviously quite a presumption, and unfounded optimism, to believe that his special commodity was so absolutely and unrestrictedly something indispensable for the human race. But the matter gets much worse when not just the shoemaker, but all other particular producers, find themselves in the same position: the baker, the locksmith, the weaver, the butcher, the hatter, the farmer, etc. Each of them desires and uses the most varied products, but can only offer one single product in exchange. Each then could only fully satisfy his needs if his special commodity were constantly desired by everyone in society and taken in exchange. A brief reflection will tell you that this is pure impossibility. It is impossible for everyone to want all products equally at all times. It is impossible for everyone at all times, without limit, to be a taker of boots, bread, clothes, locks, yarn, shirts, hats and beard-covers. But if this is not the case, then these products cannot all be exchanged at any time against all others. And if exchange is not possible as a constant all-round relationship, this means that the satisfaction of all needs in society is impossible, consequently that all-round labor in society is impossible, the very existence of society is impossible. And we are again in a fix, and cannot solve the task we have set ourselves, i.e. to explain how, from the divided and fragmented private producers, who are not bound together by any social plan of labor, any organization, any tie, a social collaboration and an economy can none the less come into being.

Exchange has indeed shown itself to be a means able to regulate all this, even if in strange ways. But for this to happen, exchange itself has to happen, it must function as a regular mechanism. We find already in exchange itself, however, at the very first step, such difficulties that we can not see at all how it is to develop into an all-round and permanent business.

Yet the means for overcoming this difficulty and facilitating social exchange have been found. True, it was no Columbus who discovered this, social experience and habit unnoticeably found the means in exchange itself; "life itself," as people say, solved the problem. As indeed, social life, along with all its difficulties, always does create the means for their solution. It is clearly impossible for all commodities to be wanted by everyone all the time, i.e. to an unlimited extent. But at any time, and in any society, there is *one* commodity that is important, necessary and useful to everyone as a foundation of their existence, and is therefore wanted at any time. Boots could hardly be this commodity, people are not that vain. But cattle, for example, could be such a product. It is impossible to get by just with boots, nor even with clothes, hats or corn. But cattle as a foundation of economic life do secure a society's existence: they supply meat, milk, hides, plowing service, etc. Among many nomadic peoples, indeed, their whole wealth consists of herds of cattle. Still today, or at least until recently, there were African tribes that lived almost exclusively from cattle. Let us assume, then, that in our community cattle are a much-desired item of wealth, not the only one, but one preferred over many other products that are produced in society. The cattle-raiser here spends his private labor on the production of cattle, just as the shoemaker does on boots, the weaver on linen, etc. On our assumption, however, the product of the cattle-raiser enjoys a general unlimited popularity above all others, as it appears the most indispensable and important. Cattle are a welcome enrichment for anyone. Since we still assume that in our society nothing can be obtained by anyone except by way of exchange, it is clear that the much-desired cattle can also only be obtained from the cattle-raiser by exchange for another product of labor. But since, as presupposed, everyone would like to have cattle, this means that anyone would be happy at any time to part with his products against cattle. For cattle, conversely, it follows that at any time one can have any kind of product. Anyone who has cattle has only to choose, since everything is available for him. And it is precisely for this reason, conversely, that everyone is happier to exchange the particular product of his labor against cattle than anything else; if he has cattle, then he has everything, since everything is obtainable at any time in exchange for cattle. If after a while this has become generally clear, and become a custom, cattle then gradually become the universal commodity, i.e. the single commodity that is universally desired and exchangeable without limit. And as such a universal commodity, cattle mediate exchange between all other special commodities. The shoemaker is unwilling to directly accept bread from the baker in exchange for his boots, but he will accept cattle, as with cattle he can then buy bread and all possible things, whenever he wants. The baker, for his part, can pay for his boots in cattle, as he has received cattle in return for his own product, bread, as he also has from the locksmith, the stock-raiser and the butcher. Each of these accepts cattle from others for their own product, and pays again with the same cattle if he wants to have the products of others. The cattle thus pass from one hand to another, mediating every exchange and serving as the mental tie between the individual commodity producers. (And the more, and more frequently, cattle pass from one person to another as the mediator of business exchange, the more their universal unlimited desirability is reinforced, the more they become the only commodity desired and exchangeable at any time, the universal commodity.)

We have already seen how each product of labor, in a society of fragmented private producers without a communal plan of work, is initially private labor. Whether this labor was socially necessary, i.e. whether its produce has a value and secures the producer a share in the products of the whole, whether it was not rather wasted labor, all this is shown simply and solely by the fact that this product is accepted in exchange. Now, however, all products are exchanged only against cattle. Now, therefore, a product is socially necessary only in so far as it can be exchanged against cattle. Its exchangeability against cattle, its equivalence in value with cattle, is what now gives each private product the hallmark of socially necessary labor. We have further seen that it is only through commodity exchange that the individualized, isolated private person is confirmed as a member of society. We must now say more precisely that this is through exchange against cattle. Cattle are now the valid embodiment of social labor, and accordingly the only social tie between people.

You will certainly begin to feel at this point that we have rather got carried away. Everything was fairly straightforward and comprehensible up till now. But to conclude with cattle being the universal commodity, cattle as the embodiment of social labor, even cattle as the only social tie between people – isn't this a crazy fantasy, even an insult to the human race? And yet, if you think about it, there is no need to feel insulted. For no matter how superior you might feel to these poor cattle, it is clear at all events that they are much closer to humans – rather similar in a way, at least much more similar – than, let us say, a lump of earth picked up from the ground or a pebble or a piece of iron. You must admit that cattle are certainly more worthy of representing the living social tie between people than is a dead piece of metal. And yet humanity has precisely given preference here to metal. For the important role of cattle in exchange that we described above is in fact played by nothing other than *money*. If you cannot imagine money in any other way than in the form of coined gold or silver pieces, or even in paper banknotes, and you find this metal or paper money to be completely self-evident as the universal mediator in dealings between people, as a social power, but find my depiction of cattle playing this role absurd, this only shows how full your head is with the ideas of the present-day capitalist world. A picture of social relations that is actually fairly reasonable strikes you as hare-brained, while you see as self-evident something that really is completely crazy. In actual fact, money in the form of cattle has exactly the same function as metallic money, and it is nothing more than convenience that has led us to make money out of metal. Cattle, of course, cannot be so easily exchanged, or their value so precisely measured, as can equal-sized metal discs, not to mention that storage of cattle-money requires far too big a purse, something like a stable. But before humanity hit on the idea of making money from metal, money had already long been the essential mediator of exchange. For money, the universal commodity, is precisely the indispensable means without which no universal exchange can get off the ground, without which the existing unplanned social economy of individual producers cannot exist.

We need only look now at the multifarious role of cattle in exchange. What made cattle into money in the society we were examining? The fact that they were a product of labor that was desired by everyone and at all times. But why were cattle desired in this way? We said that it was because they were an extremely useful product that could secure human existence as a many-sided means of subsistence. That was originally correct. But subsequently, the more that cattle were used as mediator in universal exchange, the more the immediate use of cattle as means of subsistence fell into the background. Anyone who receives cattle in exchange for their product will now make sure not to butcher them and eat them, nor to yoke them to the plough; cattle are more valuable to him now as a means for buying any other commodity he

might want at any time. The receiver of cattle will therefore not now consume them as means of subsistence, but rather store them as means of exchange for future transactions. You will also note that the immediate use of cattle, in the context of the highly developed division of labor that we presuppose in this society, is also not easily feasible. What is the shoemaker, for example, to do with these cattle? Or the locksmith, the weaver and the hatter, who likewise do not have any land-holding? The immediate use of cattle as means of subsistence is therefore increasingly ignored, and the reason why cattle are then desired by everyone at all times is no longer because they can be milked, butchered, or yoked to the plough, but rather because they offer the possibility at any time of exchange for any commodity you like. It increasingly becomes the mission of cattle, their specific use, to facilitate exchange, i.e. to serve for the transformation at any time of private products into social ones, of private labors into social labors. Since in this way the private use of cattle, that of serving as means of subsistence, is increasingly ignored and they are instead devoted exclusively to their function of continuous mediation between the individual members of society, they gradually cease to be a private product like any other, and become from the start, by nature – right from the stable, as it were – a social product, and the labor of the cattle-raiser is now distinct from all other labor in society in being the only directly social labor. Cattle now are no longer raised just for their use as means of subsistence, but directly with the object of functioning as a social product, as the universal commodity. Of course, to some extent cattle are still butchered or yoked to the plough. But this so-to-speak private use and private character increasingly vanishes in the face of their public character as money. And as such, they now play a prominent and many-sided role in the life of society.

1: They definitively become the universal and publicly recognized *means of exchange*. No one any longer exchanges boots for bread, or shirts for horseshoes. Anyone who tried this would be met with a shrug of the shoulders. It is only for cattle that anything can be bought. But in this way, the previous two-way exchange breaks down into two separate processes: selling and buying. Previously, when the locksmith and the baker exchanged their products with one another, each simultaneously with a handshake sold his own commodity and bought that of the other. Buying and selling were a single business. Now, if the shoemaker sells his boots, all he obtains and accepts in return are cattle. He first of all sells his own product. Then, when he wants to buy something, *what* he buys, and indeed whether he buys at all, is entirely up to him. It is enough that the shoemaker has got rid of his product, and transformed his labor from the form of boots into the form of cattle. The cattle-form, however, is as we have seen the official social form of labor, and the shoemaker can store labor in this form as long as he wants, as he knows that he has the opportunity at any time of exchanging the product of his labor again from the cattle-form into any other he wants – i.e. of making a purchase.

2: In the same way, however, cattle are now the means for storing and accumulating wealth, they become a *treasury*. As long as the shoemaker exchanged his product directly for means of subsistence, he also worked only as much as he needed to in order to meet his daily needs. What use would it have been to him to build up stocks of boots, or even large stocks of bread, meat, shirts, hats, etc.? Objects of daily use are generally damaged by prolonged storage, or even made unusable. Now, however, the shoemaker can store the cattle he obtains for the products of his labor as a resource for the future. Now, accordingly, a sense of thrift is aroused in our tradesman, he seeks to sell as much as possible, but makes sure not to spend again all the cattle he has received; on the contrary, he seeks to accumulate them, since cattle are now good for anything at any time, so he saves and stores them for the future, leaving the

fruits of his labor to his children as an inheritance.

3: Cattle become at the same time also the *measure* of all values and labors. If the shoemaker wants to know what his pair of shoes will bring him in exchange, what his product is worth, he says to himself, for example: I get half a cow for each pair, my pair of boots is worth half a cow.

4: Finally, in this way cattle become the *concept of wealth*. Now people do not say, this or that person is rich because he has a great deal of corn, flocks, clothes, jewelry or servants, but rather: he has a good deal of cattle. People say, hats off to that man, he's "worth" ten thousand oxen. Or they say, poor fellow, he doesn't have any cattle!

As you see, with cattle having become the universal means of exchange, society can only think in the cattle-form. People always talk about cattle, they even dream about them. A literal worship and admiration of cattle develops. A girl is most easily married if her attraction is increased by a dowry of large herds of cattle, even if her wooer is not a mere swineherd, but a professor, an intellectual or a poet. Cattle are the very concept of good fortune. Poems are written about cattle and their miraculous power, crimes and murders are committed for the sake of cattle. And people repeat, shaking their heads, that "cattle rule the world." If you are not familiar with this proverb, you can translate it into Latin; the old Roman word *pecunia*, meaning money, stems from *pecus*, meaning cattle.

### 4.3

Our earlier investigation of how relations in the communistic community would be reshaped after a sudden collapse of common property and commonly planned labor, seemed to you no more than purely theoretical rumination, wandering around in the clouds. In actual fact, this was nothing other than an abbreviated and simplified depiction of the historical rise of the commodity economy, its basic features strictly corresponding to historical truth.

Yet a few corrections now need to be made to this depiction.

- 1) The process that we described as a catastrophe that happened suddenly, destroying the communist society overnight and transforming it into a society of private producers, in reality happened over millennia. The idea of a transformation of this kind as a sudden and violent catastrophe is certainly not pure fantasy. This idea does correspond to reality, everywhere that primitive communist tribes come into contact with other peoples already at a high capitalist stage of development. We see cases like this with most discoveries and conquests of so-called savage and semi-civilized lands by Europeans: the discovery of America by the Spanish, the conquest of India by the English and of the East Indies by the Dutch, and the same with the seizures of the English, Dutch and Germans in Africa. In most of these cases, the sudden arrival of Europeans in these lands was accompanied by a catastrophe in the lives of the primitive peoples who inhabited them. What we have assumed as a process of twenty-four hours, often needs no more than a few decades. The conquest of territory by a European state, or the mere settlement of a few European trading colonies in these countries, very soon results in a violent abolition of common property in land, the break-up and fragmentation of landownership into private property, the confiscation of herds of cattle, the reversal of all traditional social relations – with the difference that the general result here is not, as we assumed, the transformation of the communistic community into a society of free private producers with commodity exchange. For the dissolved common property does not become the private property of local people, but

rather the stolen goods of the European encroachers, and the indigenous people themselves, robbed of their old forms and means of existence, are made either into wage-slaves, or slaves pure and simple, of European merchants, if they are not just exterminated, as happens when neither of these two options is feasible. For primitive peoples in colonized territories, therefore, the transition from primitive communist conditions to modern capitalist ones always does take place as a sudden catastrophe, an unforeseeable misfortune with the most frightful sufferings (as it is presently true of the Germans with Negroes of South West Africa). With the peoples of Europe, on the other hand, it was not a catastrophe but rather a slow, gradual and unnoticeable process, lasting for several hundred years. The Greeks and Romans still appear in history with common property. The old Germans, who spread from north to south soon after the birth of Christ, destroying the Roman Empire and settling in Europe, still brought with them the communistic primitive community, and maintained this for a good while. The developed commodity economy of the European peoples, as we described it, only came into being at the end of the Middle Ages, in the fifteen and sixteenth centuries.

- 2) The second correction that has to be made to our depiction is a consequence of the first. We assumed that all possible branches of labor were already specialized and separate in the womb of the communist community, i.e. that the division of labor in society had reached a very high stage of development, so that with the occurrence of the catastrophe that abolished common property and introduced private production and exchange, the division of labor was already in place as the basis for such exchange. This assumption is historically incorrect. In the conditions of primitive society, so long as common property persists, the division of labor is very little developed, still embryonic. We have seen this in the example of the Indian village community. Only a dozen or so individuals had separated out from the mass of inhabitants to concentrate on special trades, no more than six of these being actual artisans: the smith, the carpenter, the potter, the barber, the washerman and the silversmith. Most handicraft work, such as spinning, weaving, making clothes, baking, butchery, sausage-making, etc., was all carried out by each family as a side occupation along with their main agricultural work, as is still the case even today in many Russian villages, in so far as the population have not already been drawn into exchange and trade. The division of labor, i.e. the separation of individual branches of labor as exclusive special professions, can only properly develop if private property and exchange are already in place. Only private property and exchange make possible the emergence of particular special trades. For only when a producer has the prospect of regularly exchanging his products against others does it make sense for him to devote himself to specialized production. And it is only money that gives each producer the possibility of storing and accumulating the fruits of his efforts, and accordingly also the impetus to regularly expand production for the market. On the other hand, however, this producing for the market and accumulation of money only has a purpose for the producer if his product and the receipts from it are his private property. In the primitive communist community, however, private property is precisely ruled out, and history shows us that private property only arose as a result of exchange and the specialization of labor. It turns out, therefore, that the emergence of specialist professions, i.e. a highly developed division of labor, is possible only with private property and developed exchange. It is conversely clear, however, that exchange itself is possible only if the division of labor is already present; for what purpose would there be in exchange among

producers who all produce one and the same thing? Only if X for example only produces boots, whereas Y only bakes bread, is there a sense and purpose in the two exchanging their products. We thus come up against a strange contradiction: exchange is only possible with private property and a developed division of labor, but this division of labor can only come about as a result of exchange and on the basis of private property, while private property for its part only arises through exchange. This is even a double contradiction, if you examine it closely: the division of labor must exist prior to exchange, even though exchange must at the same time exist prior to the division of labor; moreover, private property is the precondition for the division of labor and exchange, but the only way it can develop is from the division of labor and exchange. How is this tangle possible? We are clearly going round in a circle, and even the first step away from the primitive communist community seems an impossibility. Human society was apparently caught in a contradiction here, whose resolution depended on the further advance of development. But this inescapability is only apparent. A contradiction may well be something inextricable for individuals in everyday life, but in the life of society as a whole, you find contradictions of this kind everywhere you look. What today appears as the cause of a particular phenomenon is tomorrow its effect, and vice versa, without this continuous change in conditions of social life ever ceasing. On the contrary. The individual person cannot take a step further when he faces a contradiction in his private life. He will even accept in matters of everyday life that contradiction is something impossible – so that an accused person who gets tangled up in contradictions when he appears in court is thereby already found guilty of untruth, and in certain circumstances contradictions can lead him into prison or even to the gallows. But human society as a whole develops continuously in contradictions, and rather than succumbing to these, it only starts to move when it meets contradictions. Contradiction in the life of society, in other words, is always resolved by development, in new advances of culture. The great philosopher [G.W.F.] Hegel said: “Contradiction is the very moving principle of the world.” And this movement in the thick of contradictions is precisely the actual mode of development of human society. In the particular case we are concerned with here, i.e. the transition from communist society to private property with the division of labor and exchange, the contradiction that we found is also resolved in a particular development, a long historical process. But this process was essentially just as we originally depicted it, apart from the corrections we have just made.

Exchange initially begins already in primitive conditions with common property, and indeed, as we have assumed, in the form of barter, i.e. product for product. We already find barter at very early stages of human culture. Since exchange as we have depicted it, however, assumes the private property of both parties involved, and this is unknown within the primitive community, this early barter does not occur within the community or tribe but rather outside, not between the members of one and the same tribe, one and the same community, but rather between different tribes and communities when they come into contact with one another. And here it is not an individual member of one tribe who trades with someone from another tribe, but rather tribes and communities as a whole that enter into barter, represented always by their chiefs. The widespread idea held by scholars of political economy of a primitive hunter and fisherman who exchange their respective fish and game with one another in the first dawn of human culture in the primeval forests of America, is a double historical delusion. Not only were there in primitive times, as we saw, no isolated individuals living and working for themselves, but barter between individuals emerged

only thousands of years later. Initially, history knows only tribes and peoples bartering with one another. As [Joseph François] Lafitau wrote in his book on the American savages,

Savage peoples constantly pursue exchange. Their trade has in common with the trade of antiquity that it represents an immediate exchange of products against products. Each of these peoples possesses something that the others do not, and trade conveys all these things from one people to the other. This includes corn, pottery, hides, tobacco, covers, canoes, cattle, household equipment, amulets, cotton – in a word, everything used for the maintenance of human life ... Their trade is conducted by the chief of the tribe, who represents the whole people.

Moreover, if we began our earlier depiction of exchange with a particular case – exchange between shoemaker and baker – and treated this as something accidental, this again corresponds strictly to historical truth. In the beginning, exchange between particular savage tribes and peoples were purely accidental and haphazard; it depended on chance encounters and contacts. This is why we see regular barter emerge most early among nomadic peoples, since it is these, by their frequent change of place, who came most frequently into contact with other peoples. As long as exchange remains a matter of chance, it is only the surplus products, what remains after meeting a tribe's or community's own needs, that are offered in exchange for something else. Over time, however, the more frequently such chance exchange is repeated, the more it becomes a habit, then a rule, and gradually people start to produce directly for exchange. Tribes and peoples thus increasingly specialize in one or more particular branches of production, with the object of exchange. A division of labor develops between tribes and communities. In this connection, trade remains for a very long while pure barter, i.e. direct exchange of product for product. In many regions of the United States, barter was still widespread in the late eighteenth century. In Maryland, the legislative assembly laid down the proportions in which tobacco, oil, pork and bread were to be exchanged for one another. In Corrientes [Argentina], as late as 1815, peddler boys ran through the streets with the cry: "Salt for candles, tobacco for bread!" In Russian villages until the 1890s, and in some parts still today, traveling peddlers known as *prasols* conducted simple barter with peasants. All kinds of knickknacks, such as needles, thimbles, belts, buttons, pipes, soap, etc. were exchanged for bristles, quilts, hare pelts and the like. Potters, plumbers, etc. traveled through Russia with their carts, exchanging their products for corn, linen, hemp, etc. With the frequency and regularity of exchange transactions, however, it was not long before, in each district and tribe, one commodity separated out that was easiest to produce, and so could most frequently be given in exchange, or alternatively one that was most lacking and so generally desired. Such a role was played for example by salt and dates in the Sahara desert, sugar in the English West Indies, tobacco in Virginia and Maryland, so-called brick tea (a hard mixture of tea leaves and fat in the form of a brick) in Siberia, ivory among the black Africans, cocoa beans in ancient Mexico. In this way, the climatic and soil conditions in various regions already led to the separating out of a "universal commodity" that was suited to serve as a basis for all trade and a mediator of all exchange transactions. The same occurred with subsequent development from the particular occupation of each tribe. Among hunting peoples, game was naturally the "universal commodity" that they offered for all possible products. In the trade of the Hudson Bay Company, it was beaver fat that played this role. Among fishing tribes, fish are the natural mediator of all exchange. According to the account of a French traveler, on the Shetland Islands change was given in fish even on the purchase of a theatre ticket. The necessity of such a generally desired

commodity as universal mediator of exchange often made itself very perceptible. The celebrated African traveler Samuel [White] Baker, for example, described his exchange with tribes in central Africa:

The difficulties of procuring provisions are most serious: the only method of purchasing flour is as follows. The natives will not sell it for anything but flesh; to purchase an ox, I require molotes (hoes): to obtain molotes I must sell my clothes and shoes to the traders' men. The ox is then driven to a distant village, and is there slaughtered, and the flesh being divided into about a hundred small portions, my men sit upon the ground with three large baskets, into which are emptied minute baskets of flour as the natives produce them, one in exchange for each parcel of meat.

With the transition to stock raising, cattle become the universal commodity in exchange and the universal measure of value. This was the case among the ancient Greeks, as Homer describes it. In describing and valuing the armor of each hero, for example, he says that the armor of Glaucus was worth a hundred head of cattle and that of Diomedes nine. As well as cattle, however, other products also served as money among the Greeks of this time. Homer again says that during the siege of Troy, wine from Lemnos was paid sometimes in hides, sometimes in oxen, sometimes in copper or iron. Among the early Romans, as we said, the concept of "money" was identical with that of cattle; among the ancient Germans, too, cattle were the universal commodity. It was with the transition to agriculture that metals, iron and copper, acquired a surpassing importance in economic life, partly as material for producing weapons, but still more so for agricultural implements. Metal became the universal commodity as it was produced and used in greater quantities, expelling cattle from this role. Initially it was the universal commodity precisely because it was universally useful and desired for its natural use – as material for all kinds of tools. At this stage, it was also used in trade as raw material, in bars and only by weight. Among the Greeks it was iron that was in general use, among the Romans it was copper, among the Chinese a mixture of copper and lead. Only much later did the so-called precious metals, silver and gold, come into use, and also into trade. But for a very long time these were still used in trade in their raw state, uncoined and by weight. Here, accordingly, we can still see the origin of the universal commodity, the money commodity, from a simple product with a particular use. The simple piece of silver that is given one day in exchange for flour might still be used directly the next day to decorate a knight's shield. The exclusive use of precious metal as money, i.e. coined money, was known neither to the ancient Hindus nor to the Egyptians, nor again to the Chinese. The ancient Jews likewise used metal pieces only by weight. Abraham, for example, according to the Bible, when he bought a burial plot for Sarah in Hebron, paid 400 shekels in weighed-out trading silver. It is generally assumed that coinage only appeared in the tenth or even eighth century BC, being first introduced by the Greeks. The Romans learned from them, manufacturing their first silver and gold coins in the third century BC. With the coining of money from gold and silver, the long, millennial history of the development of exchange reached its fullest, most complete and definitive form.

As we have said, money, i.e. the universal commodity, was already developed before metals began to be used for monetary purposes. And even in the form of cattle, for example, money has precisely the same functions in exchange as gold coins do today: as mediator of transactions, as measure of value, as store of value and as embodiment of wealth. In the form of metallic money, however, the specific characteristic of money is expressed also in its outward appearance. We saw how exchange begins with the simple barter of any two products of labor. It comes into being because one

producer – one community or tribe – cannot do without products of the other’s labor. They assist each other with the creations of their respective labor by exchanging these. As such exchanges become frequent and regular, *one* product emerges as especially preferred, because universally desired, and this becomes the mediator of all exchange transactions, the universal commodity. Any product of labor has the intrinsic ability to become money: boots or hats, linen or wool, cattle or corn, and we also see that the most varied commodities have at times played this role. *Which* commodity is chosen simply depends on the particular needs or particular occupations of the people in question.

Cattle are initially preferred in this way as a useful product and means of subsistence. With the passage of time, however, cattle are desired and accepted as money. Cattle then make it possible for anyone to accumulate the fruits of his labor in a form that is exchangeable at any time for any other product of society’s labor. Cattle, we said, as distinct from all other private products, are the only directly social product, the only one that is unrestrictedly exchangeable at any time. But in cattle, the dual nature of the money commodity finds strong expression: a glance at cattle shows how, despite being the universal commodity and a social product, they are at the same time a simple means of subsistence that can be butchered and eaten, an ordinary product of human labor, the labor of herders. In the gold coin, however, any memory of the origin of money out of a simple product has already quite disappeared. The coined piece of gold is inherently unsuitable for anything else, it has no other use but to serve as means of exchange, as universal commodity. It is only still value in so far as it is, like any other commodity, the product of human labor, the labor of the gold-miner and goldsmith, but it has lost any private use as means of subsistence, it is precisely nothing but a piece of human labor without any useful and consumable form for private life, it no longer has any use as private means of subsistence, as food, clothing, ornament or anything else, its only purpose being its purely social use, to serve as mediator in the exchange of other commodities. And it is precisely for this reason that it appears in this meaningless and purposeless object: in the gold coin, the purely social character of money, the universal commodity, finds its purest and most mature expression.

The consequences of the definitive development of money in the metal form are: sharp increase in trade, and decline of all social relations that were previously geared not to trade but to self-sufficiency. The ancient communistic community was shattered by trade, as this accelerated the disparity of wealth among its members, the collapse of common property, and finally the breakdown of the community itself.

The free small peasant economy, which initially produced everything for itself and only sold its surplus, to put money under the mattress, was gradually forced, particularly by the introduction of monetary taxation, to sell its entire product, in order to buy not only food, clothing and household articles, but even grain for sowing. We have seen an example of such a transformation of the peasant economy, from one producing for its own needs to one producing for the market and being ruined in the process, with the last few decades in Russia. In ancient slavery, trade brought about a profound change. So long as slaves were used only for the domestic economy, for agricultural or artisanal tasks for the needs of the master and his family, slavery still had a mild and traditional character. Inhuman treatment of slaves began only when the Greeks, and later the Romans, developed the taste for money and started producing for trade, leading eventually to mass revolts by the slaves, which although completely unsuccessful, were heralds and clear signs that slavery had had its day and become unsustainable. Precisely the same situation was presented by the *corvée* in the Middle Ages. Initially this was a relationship of protection, with the peasantry

owing the protecting lord a definite moderate sum, either in kind or in labor services, towards the lord's own consumption. Later, when the nobles learned the conveniences of money, these services and dues were steadily increased for the purpose of trade, the *corvée* relationship became one of serfdom, and peasants were driven to the utmost limits. In the end, the same spread of trade and the dominance of money led to dues in kind being commuted from serfdom into monetary payments. But this meant that the bell had tolled for the entire outmoded *corvée* relationship.

Finally, trade in the Middle Ages brought power and wealth for the free towns, but in this way also led to the break-up and decline of the old guild handicrafts. Very early on, the appearance of metallic money made world trade possible. Already in antiquity, certain peoples like the Phoenicians devoted themselves to the role of merchants between peoples, attracting large sums of money in this way and accumulating wealth in the money form. In the Middle Ages, this role fell to the free towns, initially the Italian ones. After the discovery of America and of the sea route to the East Indies, at the end of the fifteenth century, world trade experienced a sudden great expansion: the new lands offered not only new products for trade, but also new gold mines, i.e. the money material. Following the enormous import of gold from America in the sixteenth century, the North German towns – above all the Hanseatic League – acquired immense riches, and in their wake so did Holland and England. As a result, in the European towns and to a large extent also the countryside, commodity trade, i.e. production for exchange, became the prevailing form of economic life. Exchange thus has its quiet and unremarked beginnings in grey prehistory on the frontiers of savage communist tribes, grows and develops alongside all successive planned economic organizations, such as free simple peasant economy, Oriental despotism, antique slavery, the medieval *corvée* and the urban guild regime, consuming these one after the other and helping to bring about their collapse and finally the dominance of the completely anarchic, unplanned economy of isolated private producers as the sole and universally prevailing economic form.

#### 4.4

Once commodity economy had become the prevailing form of production in Europe by the eighteenth century, at least in the towns, scholars began to study the question as to what was the foundation of this economy, i.e. of universal exchange. All exchange is mediated by money, and the value of every commodity in exchange has its monetary expression. What then does this monetary expression mean, and what is the basis of the value that each commodity has in trade? These were the first questions that political economy investigated. In the second half of the eighteenth and the early nineteenth century, the Englishmen Adam Smith and David Ricardo made the great discovery that the value of each commodity is nothing other than the human labor it contains, so that with the exchange of commodities equal quantities of different kinds of labor are exchanged for one another. Money is simply the mediator here, and simply expresses in the price the corresponding amount of labor contained in each commodity. It does indeed appear rather remarkable to speak of this as a great discovery, since one might believe that nothing was more clear and self-evident than that the exchange of commodities depends on the labor they contain. It is just that the expression of the commodity value in gold, which had become the general and exclusive custom, concealed this natural state of affairs. At the time when the shoemaker and the baker exchanged their respective products, as I said, it was still obvious and visible that exchange came into being because, despite their different uses, each of these took the same amount of labor as the other, and each was therefore worth the same as the other in so far as they both took the same amount of time. But

if I say that a pair of shoes costs ten marks, this expression is at first quite puzzling when examined more closely. For what does a pair of shoes have in common with ten marks, in what way are they equal, so that they can be exchanged for one another? How can such different things be compared with one another at all? And how can such a useful product as shoes be exchanged for such a useless and meaningless object as stamped gold or silver discs? Finally, how does it come about that precisely these useless metal discs possess the magic power of obtaining anything in the world by way of exchange? *All* these questions, however, the great founders of political economy, Smith and Ricardo, did not manage to answer. For the discovery that what is contained in the exchange-value of every commodity, even money, is simply human labor, and that the value of a commodity is therefore that much greater, the more labor its production requires, and vice versa, is only a half-truth. The other half of the truth consists in the explanation of how and why it is that human labor then assumes the strange form of exchange-value, and the puzzling form of money at that. The English founders of political economy did not even raise this question, since they considered it an innate property of human labor, given in the nature of things, that it created commodities for exchange and money. In other words, they assumed it was just as natural as that people have to eat and drink, that hairs grow on the head and that the face has a nose, that they have to produce with their hands commodities for trade. They believed this so firmly that Adam Smith, for example, raised the question in all seriousness whether animals did not already conduct trade, and he only denied this because at that time no such examples had yet been found in the animal world. He says:

[Quotation missing from manuscript; Hudis's notes indicate the Smith's passage didn't mean what Luxemburg thought, anyway – red texts]

This naive conception, however, simply means that the great creators of political economy lived in the rock-solid conviction that the present capitalist social order, in which everything is a commodity and produced only for trade, is the only possible and eternal social order, which will endure as long as there are people on this earth. Only Karl Marx, who as a socialist did not take the capitalist order to be the eternal and only possible social form, but rather a passing historical one, made comparisons between present relations and earlier ones at other times. He showed in this way that people had lived for thousands of years without knowing much about money and exchange. Only to the extent that any common planned labor came to an end in society, and society dissolved into a loose anarchic heap of completely free and independent producers with private property, did exchange become the only means of uniting these fragmented individuals and their labors into an integrated social economy. In place of a common economic plan that precedes production, money now becomes the only direct social means of connection, which it does because it represents the only thing in common between the many different private labors as itself a piece of human labor without any particular use, i.e. precisely because it is a completely meaningless product, unsuited for any kind of use in human private life. This meaningless invention is thus a necessity without which no exchange would be possible, i.e. the entire history of culture since the dissolution of primitive communism. The bourgeois political economists of course viewed money also as extremely important and indispensable, but only from the standpoint of the purely external convenience of monetary exchange. This can actually be said of money only in the same sense that one can say that humanity has for example invented religion for the sake of convenience. Money and religion are certainly two powerful cultural products, but they have their roots in quite particular and transient conditions, and, just as they arose, so they will become superfluous in due course. The immense annual expenses on gold production, just as

the expenses on religion, not to mention those on prisons, the military or public welfare, which are a heavy burden on today's social economy, but are necessary costs given the existence of this economic form, will disappear with the abolition of the commodity economy.

The commodity economy, as we have got to know its inner mechanism, appears before us as a wonderfully harmonious economic order, based on the highest principles of morality. Firstly, complete individual freedom prevails. Each person works as he likes, on what he likes and as much as he likes; each is his own master and need only be governed by his own preference. Secondly, they all exchange their commodities, i.e. the products of their labor, for the products of other people's labor; labor is exchanged against labor, and moreover, on average in equal quantities. So there is also complete equality and reciprocity of interests. Thirdly, in commodity economy commodity is exchanged for commodity, one product of labor for another. Anyone therefore who does not have a product of his labor to offer, anyone who does not work, will also not obtain anything to eat. Here too we have the highest justice. In fact, the philosophers and politicians of the eighteenth century, who fought for the complete triumph of freedom of trade and the abolition of the last vestiges of the old relations of domination – the guild regime and feudal serfdom – the men of the Great French Revolution, promised humanity a paradise on earth, in which freedom, equality and fraternity would rule.

A number of leading socialists in the first half of the nineteenth century were still of the same opinion. When scientific political economy was created and Smith and Ricardo made the great discovery that all commodity values were based on human labor, some friends of the working class hit on the idea right away that if commodity exchange were conducted correctly, there would necessarily be complete equality and justice in society. If labor was always exchanged for labor in the same quantities, it would be impossible for inequality of wealth to develop, at most just the well-deserved inequality between hard workers and idlers, and the whole social wealth would belong to those who work, i.e. the working class. But if despite this we see great differences in people's conditions in present society, if we see wealth alongside poverty and what is more, wealth in the hands of non-workers and poverty for those who create all values by their labor, this must obviously arise from something wrong in the process of exchange, owing to the intervention of money as mediator in the exchange of the products of labor. Money conceals the real origin of all wealth in labor, provokes constant fluctuations of price and thus gives the possibility of arbitrary prices, swindling, and the accumulation of wealth at the cost of others. So, away with money! This socialism aiming at the abolition of money originated in England, represented there as early as the 1820s and 30s by such talented writers as [William] Thompson, [John Francis] Bray and others. The same kind of socialism was then rediscovered by [Johann Karl] Rodbertus, in a Prussia of conservative Pomeranian Junkers and brilliant writers on political economy; and finally by Proudhon in France in 1849. Practical attempts in this direction were also undertaken. Under the influence of the above-mentioned Bray, so-called "bazaars" for "equitable labor exchange" were established in many English towns, to which goods were brought to be exchanged without the intervention of money, strictly in accordance with the labor-time they contained. Proudhon also proposed the foundation of a so-called "people's bank." But these attempts rapidly went bankrupt, along with the theory behind them. Commodity exchange without money is in fact inconceivable, and the price fluctuations that these people wanted to abolish are in fact the only means for indicating to commodity producers whether they are making too little of a particular commodity or too much, whether they are spending more or less labor on its

production than it requires, whether they are producing the right commodities or not. If this sole means of communication between the isolated commodity producers in the anarchic economy is abolished, they are completely lost, being not only struck dumb, but blind into the bargain. Production necessarily comes to a standstill, and the capitalist tower of Babel shatters into ruins. The socialist plans for making capitalist commodity production into socialist simply by the abolition of money were thus pure utopia.

How do things really stand then in commodity production, as far as freedom, equality and fraternity are concerned? How can inequality of wealth arise in the context of general commodity production, where it is only for a product of labor that anyone can get anything, and where equal values can only be exchanged for equal values? Yet present capitalist society is precisely characterized, as everyone knows, by a glaring inequality in people's material condition, by tremendous accumulation of wealth in a few hands on the one side, and growing poverty for the mass of people on the other. The subsequent question that logically arises for us from all this is: *How is capitalism possible in a commodity economy, given that commodities are exchanged according to their value?*

## **5. Wage-labor**

### **5.1**

All commodities exchange against one another according to their value, i.e. according to the socially necessary labor they contain. The fact that money plays the role of mediator does not in any way change this basis of exchange: money itself is simply the bare expression of social labor, and the amount of value contained in each commodity is expressed in the amount of money for which the commodity is sold. On the basis of this law of value, complete equality prevails between commodities on the market. And there would also be complete equality among the sellers of commodities, if there were not, among the millions of different kinds of goods coming onto the market for exchange, one particular commodity of a quite special character – labor-power. This commodity is brought to market by those who possess no means of production of their own with which to produce other commodities. In a society based exclusively on commodity exchange, nothing is obtained, as we know, except by way of exchange. We have indeed seen how the commodity that each person brings to market is this person's unique claim and title to a share in the mass of social products, and at the same time the measure of this share. Each person obtains, in whatever commodities he chooses, exactly the same amount of the mass of labor performed in society as he himself supplies in socially necessary labor in the form of any kind of commodity. To be able to live, therefore, each person must supply and sell commodities. Commodity production and sale has become the condition for human existence. Anyone who does not bring a commodity to market does not receive any means of subsistence. But the production of any kind of commodity requires means of labor, i.e. tools and the like, as well as raw and ancillary materials, not to mention a place of work, equipped with the necessary conditions of labor such as lighting, etc., and finally a certain quantum of means of subsistence, to keep life going until the process of production has been completed and the commodity is sold. Only a few insignificant commodities can be produced without an outlay on means of production: for example, mushrooms and berries that grow in the forest, or shellfish collected on the shore by inhabitants of the coast. But even here, certain means of production are always necessary, such as baskets and the like, as well as means of subsistence that make life possible during this labor. Most kinds of commodity, however, in any society with

developed commodity production, require a quite significant outlay on means of production, sometimes a tremendous one. Anyone without such means of production, who is thus not in a position to produce commodities, has nothing for it but to bring himself to market as a commodity, i.e. to bring his own labor-power.

Like any other commodity, the commodity labor-power also has its definite value. The value of any commodity, as we know, is determined by the amount of labor required for its production. In order to produce the commodity labor-power, a particular amount of labor is likewise necessary, i.e. the labor that produces the requisites of life for the worker, food and clothing, etc. Whatever labor therefore is required in order to keep a person capable of labor, to maintain his labor-power, is also what his labor-power is worth. The value of the commodity labor-power, therefore, is represented by the amount of labor that is needed to produce the worker's means of subsistence. Moreover, as with every other commodity, the value of labor-power is measured on the market in terms of price, i.e. in money. The monetary expression, i.e. the price of the commodity labor-power, is called the wage. With every other commodity, the price rises when demand grows more quickly than supply, and conversely falls when the supply of the commodity is greater than demand. The same also holds for the commodity labor-power: with rising demand for workers, wages show a general tendency to rise, and if the demand falls or the labor-market is overfilled with fresh commodity, wages show a tendency to fall. Finally, as with every other commodity, the value of labor-power, and along with it ultimately its price as well, is higher if a greater amount of labor is required for its production: in this case, if the worker's means of subsistence require more labor for their production. And conversely, every saving on the labor required to produce the worker's means of subsistence leads to a reduction in the value of labor-power, and thus also in its price, i.e. in wages. As David Ricardo wrote in 1817:

Diminish the cost of production of hats, and their price will ultimately fall to their new natural price, although the demand should be doubled, trebled, or quadrupled. Diminish the cost of subsistence of men, by diminishing the natural price of the food and clothing, by which life is sustained, and wages will ultimately fall, notwithstanding that the demand for laborers may very greatly increase.

The only way, therefore, in which the commodity labor-power is initially distinguished from other commodities on the market is that it is inseparable from its seller, the worker, so that it cannot tolerate any long wait for buyers, otherwise it will disappear along with its bearer, the worker, for lack of means of subsistence, whereas most other commodities can tolerate a more or less long waiting-time quite well. The particularity of the commodity labor-power is thus not yet expressed on the market, where it is only exchange-value that plays a role. It lies elsewhere – in the use-value of this commodity. Every commodity is bought on account of the utility that its consumption can bring. Boots are bought in order to serve as clothing for the feet; a cup is bought so that tea can be drunk from it. What use then can labor-power serve when purchased? Obviously, that of laboring. But this scarcely says anything yet. People at every time could and had to work, ever since the human race existed, and yet whole millennia passed in which labor-power was completely unknown as a purchasable commodity. On the other hand, if we imagine that a person, with his full labor-power, was only in a position to produce the means of subsistence that he himself needed, then the purchase of such labor-power, i.e. of labor-power as a commodity, would be quite senseless. For if someone buys and pays for labor-power, puts it to work with his own means of production, and only obtains at the end of the day the maintenance of the bearer of his purchased commodity, the worker, this means that

the worker by selling his labor-power only obtains someone else's means of production in order to work with these for himself. From the standpoint of commodity exchange this would be a senseless deal, just as if someone were to buy boots simply to return them to the shoemaker as a present. If this were the only use of human labor-power, it would have no utility for the purchaser and accordingly could not appear on the market as a commodity. For only products with a definite utility can figure as commodities. If labor-power appears as a commodity, therefore, it is not enough that the person concerned can work, if he is given means of production, but rather that he can work more than is needed for the production of his own means of subsistence. He must be able to work not only to support himself, but also work for the buyer of his labor-power. The commodity labor-power, therefore, in its use, i.e. in labor, must not simply be able to replace its own price, i.e. the wage, but on top of this also supply surplus labor for the purchaser. And indeed, the commodity labor-power does have this convenient property. But what does this mean? Is it a kind of natural property of man, or of the worker, that he can perform surplus labor? At the time when it took people a year to make an axe out of stone, or hours rubbing two sticks of wood together to make a fire, when it took several months to make a single bow, even the cleverest and most unscrupulous entrepreneur would have been unable to press any surplus labor out of anyone. A certain level of productivity of human labor is therefore required in order for any surplus-labor at all to be provided. In other words, human tools, skills and knowledge, human domination over natural forces, must already have reached a certain level, not simply to be able to produce means of subsistence for the worker himself, but on top of this also to produce for others. This perfection of tools and knowledge, however, this degree of mastery of nature, was only acquired by human society through long millennia of painful experience. The distance from the first crude stone instruments and the discovery of fire through to today's steam and electrical machinery, represents humanity's whole course of social development, a development that was possible only within society, by people's social coexistence and collaboration. The productivity of labor, therefore, that endows the labor-power of the present-day wage-laborer with the convenient property of performing surplus labor, is not a physiological particularity of the human being, something given by nature, but rather a *social phenomenon*, the fruit of a long developmental history. The surplus labor of the commodity labor-power is simply another expression for the productivity of social labor, which manages to maintain several people from the labor of one.

The productivity of labor, however, particularly where it is assisted even at a primitive cultural level by fortunate natural conditions, does not always and everywhere lead to the sale of labor-power and its capitalist exploitation. Let us transport ourselves for a moment to those favored tropical regions of Central and South America that were Spanish colonies from the discovery of the New World until the early nineteenth century, and where bananas are the main food of the native population. "I doubt whether there is another plant on the globe which on so small a space of ground can produce so considerable a mass of nutritive substance," wrote Alexander von Humboldt:

According to this last principle, and the fact is very curious, we find that in a very fertile country a demi hectare ... cultivated with bananas of the large species (*platano arton*), is capable of maintaining fifty individuals; when the same in Europe would only yield annually, supposing the eight-grain, 576 kilograms of flour, a quantity not equal to the subsistence of two individuals.

Besides, bananas require for their production only the slightest human effort, needing only one or two light rakings of the earth around their roots. "At the foot of the

Cordillera, in the humid valleys of the intendancies of Vera Cruz, Valladolid, and Guadalajara, a man who merely employs two days in the week in a work by no means laborious may procure subsistence for a whole family.”

It is clear that the productivity of labor here would certainly permit exploitation, and a scholar with a true capitalist soul, such as [Thomas] Malthus, could exclaim in tears at the description of this earthly paradise: “What immense powers for production are here described! What resources for unbounded wealth ...!” In other words, how splendidly gold could be beaten out of the work of the banana-eaters by zealous entrepreneurs, if these lazy-bones could only be harnessed to labor. But what do we actually see? The inhabitants of these favored regions did not think of accumulating money, but simply examined the banana trees, tasted their respective fruit, and spent a lot of free time lying in the sun and enjoying life. Humboldt says very pertinently of them:

We hear it frequently repeated in the Spanish colonies, that the inhabitants of the warm region (*tierra caliente*) will never awake from the state of apathy in which for centuries they have been plunged, until a royal *cedula* shall order the destruction of the banana plantations (*plantanares*).

What from the capitalist standpoint is described as “apathy” is precisely the mental state of all peoples still living in relations of primitive communism, in which the purpose of human labor is simply to satisfy people’s natural needs, and not the accumulation of wealth. But so long as these conditions prevail, then no matter how productive labor is, there can be no question of the exploitation of one person by another, the application of human labor-power for the production of surplus labor.

The modern entrepreneur, however, was not the first to discover this convenient property of human labor-power. We already see the exploitation of surplus labor by non-workers in ancient times. Slavery in antiquity, as well as the *corvée* relationship and serfdom in the Middle Ages, were both based on a level of productivity already attained, i.e. the capacity of human labor to maintain more than one person. Both are also simply different forms in which one class of society made use of this productivity in order to have itself maintained by another class. In this sense, the antique slave and the medieval serf are direct forerunners of today’s wage-laborer. But neither in antiquity nor the Middle Ages did labor-power become a commodity, despite its productivity and despite its exploitation. What is particular in the present-day relationship between wage-laborer and entrepreneur, what distinguishes it from both slavery and serfdom, is above all the personal freedom of the laborer. The sale of commodities is the voluntary and private business of each person, based on complete individual freedom. An unfree person cannot sell his labor-power. A further condition for this, however, is that the worker possesses no means of production. If he did, he would produce commodities himself and not part with his labor-power as a commodity. The separation of labor-power from the means of production, accordingly, is another factor along with personal freedom that makes labor-power today a commodity. In the slave economy, labor-power is not separated from the means of production; on the contrary, it is itself a means of production and belongs together with tools, raw materials, etc. to the master as his private property. The slave is simply part of the indistinguishable mass of the slaveholder’s means of production. In *corvée* labor, labor-power is legally tied directly to the means of production, to the soil, it is itself simply an accessory to the means of production. *Corvée* services and dues are not in fact the responsibility of individuals but of the plot of land; if the land is transferred to other hands, by inheritance or likewise, the dues go along with it. Today the worker is personally free, he is neither anyone’s property nor is he tied to the means

of production. On the contrary, the means of production belong to one person, labor-power to another, and the two owners face each other as independent and free, as buyer and seller – the capitalist as buyer of labor-power, the worker as its seller. Finally, however, neither personal freedom nor the separation of labor-power from the means of production always lead to wage-labor, to the sale of labor-power, even at a high level of labor productivity. We saw an example of this kind in ancient Rome, after the great mass of free small peasants were driven from their lands by the formation of large noble estates with a slave economy. They remained personally free, but no longer had any land, any means of production, so that they moved massively from the countryside to Rome as free proletarians. Here, however, they could not sell their labor-power, as there were no buyers to be had; the rich landowners and capitalists did not need to buy free labor-power, being maintained by the work of slaves. Slave labor at that time was completely sufficient to satisfy all the landowners' needs, as they had everything possible made by slaves. But labor-power could not be used for more than their own living and luxury, the very purpose of slave production being the owner's consumption rather than the sale of commodities. In this way, the Roman proletarians were excluded from all sources of wealth deriving from their own labor, and there was nothing left for them but to live from beggary – beggary from the state, from periodic distributions of means of subsistence. Instead of wage-labor, accordingly, what arose in ancient Rome was the mass feeding of property-less free people at the cost of the state, which led the French economist [Jean Charles Léonard de Sismondi] to say that in ancient Rome the proletariat lived at the expense of society, whereas today society lives at the expense of the proletariat. But if today it is possible for proletarians to work for both their own consumption and that of others, if the sale of their labor-power is possible, this is because today free labor is the *sole* and exclusive form of production, and because as commodity production it is precisely not geared to direct consumption, but rather to the creation of products for sale. The slaveholder bought slaves for his own comfort and luxury, the feudal lord extracted services and dues from the *corvée* peasants for the same purpose: to live literally like a lord, along with his clan. The modern entrepreneur does not get workers to produce objects of food, clothing and luxury for his own consumption, but rather commodities for sale, in order to obtain money. And it is precisely this that makes him a capitalist, just as it makes the workers into wage-laborers.

We see, then, how the simple fact of the sale of labor-power as a commodity implies a whole series of particular social and historical relations. The mere appearance of labor-power as a commodity on the market indicates: 1) the personal freedom of the workers; 2) their separation from the means of production along with the accumulation of means of production in the hands of non-workers; 3) a high level of productivity of labor, thus the possibility of performing surplus labor; 4) the general prevalence of commodity economy, i.e. the creation of surplus labor in the commodity form as the purpose of the purchase of labor-power.

Externally, from the standpoint of the market, the sale and purchase of the commodity labor-power is a completely ordinary business, one of thousands that take place every moment, like the purchase of boots or onions. The value of the commodity and its alterations, its fluctuating price, the equality and independence of buyer and seller on the market, the voluntary character of the deal – all this is exactly as with any other transaction. But owing to the particular use-value of this commodity, the particular conditions that create it as a use-value, this everyday market transaction becomes a new and quite particular social relation. Let us examine more closely what this market transaction leads to.

## 5.2

The entrepreneur buys labor-power and like any purchaser pays its value, i.e. its production costs, by paying the worker as his wage a price that covers the worker's maintenance. But this purchased labor-power is capable, with the average means of production used in society, to produce more than simply its own maintenance costs. This is already, as we know, a precondition of the whole business, which would otherwise be senseless; it is precisely here that the use-value of the commodity labor-power lies. Since the value of maintaining labor-power is determined, as with any other commodity, by the amount of labor required for its production, we can assume that the food, clothing, etc. that are needed for the daily maintenance of the worker in a condition capable of labor require, let us say for example, six hours' labor. The price of the commodity labor-power, i.e. its wage, must then normally come to six hours' labor in money. But the worker spends not just six hours working for his entrepreneur but longer, let us say for example eleven hours. In these eleven hours, the worker firstly spends six hours reimbursing the wage he receives, and on top of this provides five hours of labor for nothing, which the entrepreneur gets for free. The working day of each worker thus necessarily and normally consists of two parts: one paid, in which the worker simply reimburses the value of his maintenance, in which he works as it were for himself, and an unpaid part, in which he performs free or surplus labor for the capitalist.

The situation was similar in earlier forms of social exploitation. In the days of bondage, the labor of the serf for himself and his labor for his master were even distinct in time and space. The peasant knew exactly when and for how long he worked for himself, and when and for how long he worked for the maintenance of his noble lord, whether temporal or spiritual. He worked first for a few days on his own plot, then for a few days on that of the lord, or else he worked in the morning on his own plot and in the afternoon on that of the lord, or he worked continuously for some weeks on the one and then for some weeks on the other. In one particular village, for example, belonging to the Maurusmünster Abbey in Alsace, *corvée* labor in the mid-twelfth century was laid down as follows: from mid April to mid May, each peasant household to provide three full days' labor per week, from May to Midsummer's day one afternoon per week, from Midsummer's day to haymaking two days per week, then three afternoons per week until harvest, and from Martinmas to Christmas three full days per week. In the later Middle Ages, to be sure, with advancing enserfment, work for the lords increased steadily, so that almost every day in the week and every week in the year was taken up by *corvée*, and the peasants had scarcely any time left to cultivate their own fields. But in that era they knew quite precisely that they were working not for themselves but for someone else. Even the dumbest peasant could not possibly be mistaken on this score.

With modern wage-labor, matters are quite different. The worker does not produce in one part of his working day, as it were, objects that he needs himself: his food, clothing, etc., then in another part of the day other things for the entrepreneur. On the contrary, the worker in the factory or workshop spends the whole day producing one and the same object, which generally means an object that he needs only in very small amounts, if at all, for his own private consumption: for example, steel pens, or rubber bands, or silk cloth, or iron tubes. In the indistinguishable heap of steel pens or rubber bands or cloth that he has created in the course of the day, each piece looks just like any other, to a hair, there is not the slightest difference according to whether one part of this quantity is paid labor and the other part unpaid, whether one part is for the worker and the other for the entrepreneur. On the contrary, the product that the worker produces has no utility at all for him, and not a tiny bit of it belongs to

him; everything that the worker produces belongs to the entrepreneur. Here we see a major outward difference between wage-labor and serfdom. The *corvée* peasant, in normal conditions, necessarily had to have some time on which to work on his own land, and the product of his labor there belonged to him. With the modern wage-laborer, his whole product belongs to the entrepreneur, and so it looks as if his work in the factory has nothing at all to do with his maintenance. He has received his wage and can do with it what he will. In return for the wage, he has to work at what the entrepreneur tells him, and everything he produces belongs to the entrepreneur. But the difference that is invisible to the worker is clear enough in the entrepreneur's accounts, when he calculates his receipts from the production of his labor. For the capitalist, this is the difference between the sum of money he receives from the sale of the product, and his outlays both on means of production and on his workers' wages. What remains for him as profit is precisely the value created by unpaid labor, i.e. the surplus value that the workers have created. Each worker then produces, first of all his own wage, and then a surplus value that the capitalist gets for free. If he has woven eleven meters of silk cloth in eleven hours, then six meters of this may contain the value of his wage, and five meters are surplus value for the entrepreneur.

But the distinction between wage-labor and slave or *corvée* labor has still more important consequences. Both the slave and the *corvée* peasant performed their labor principally for their own private need and for the master's consumption. They produced for their master objects of food and clothing, furniture, luxury goods, etc. This was at all events the norm, before slavery and serfdom degenerated under the influence of trade, and were approaching their end. The ability of a person to consume, however, i.e. luxury in private life, has definite limits in each era. The antique slaveholder or the medieval noble could not consume more than full barns, full stables, rich clothes, richly appointed rooms, a sumptuous life for themselves and their household. Objects like these, which they needed for everyday life, could not even be stored in large quantities, as they would perish: grain easily succumbs to rot or is eaten by rats and mice; stocks of hay and straw readily catch fire, clothing is damaged, dairy products, fruit and vegetables are very hard to preserve. Even with a sumptuous lifestyle, therefore, consumption in both slave and *corvée* economy had its natural limits, and this also set limits to the normal exploitation of the slaves and peasants. It is different with the modern entrepreneur, who buys labor-power in order to produce commodities. What the worker produces in the factory or workshop is generally quite useless for himself, and equally useless for the entrepreneur. The latter does not put the labor-power he purchases to work at producing food and clothing, but has it produce commodities that he himself does not need. He only has silk or metal tubes or coffins produced so as to get rid of them by sale as quickly as possible. He has them produced in order to obtain money by their sale. And he receives back his outlays, as well as the surplus labor that his workers supply him with for free, in the money form. It is to this end, to turn the workers' unpaid labor into money, that he conducts his whole business and buys labor-power. But money, as we know, is the means for unlimited accumulation of wealth. In the money form, wealth does not lose value by lengthy storage. On the contrary, as we shall go on to see, wealth in the money form even seems to grow as a result of storage. And in the money form, wealth know no limits at all, it can grow endlessly. The hunger of the modern capitalist for surplus labor accordingly knows no limits. The more unpaid labor can be pressed out of the workers, the better. To extract surplus value, and extract it without limit, is the particular purpose and task of the purchase of labor-power.

The natural drive of the capitalist to expand the surplus value extracted from the workers takes two simple paths, which present themselves automatically, as it

were, when we consider the composition of the working day. We saw how the working day of every wage-laborer normally consists of two parts: a part in which the worker receives back his own wage, and a further part in which he supplies unpaid labor, surplus value. In order to expand this second part as much as possible, the entrepreneur can proceed along two routes: either extend the whole working day, or shorten the first, paid part of the working day, i.e. reduce the wage of the worker. In actual fact the capitalist uses both methods at the same time, which gives the system of wage-labor a constant dual tendency: to the extension of working time, and to the reduction of wages.

If the capitalist buys the commodity labor-power, he does so as with any other commodity, in order to derive utility from it. Every commodity buyer seeks to get as much use as possible from his commodities. If we buy boots, for example, we want to wear them for as long as possible. The buyer of the commodity enjoys the full use and utility of the commodity. The capitalist, accordingly, who has bought the commodity labor-power, has the full right, from the standpoint of commodity purchase, to demand that the purchased commodity serve him for as long as possible and as much as possible. If he has paid for a week's labor-power, then the use of it belongs to him for a week, and in his capacity as purchaser he has the right to have the worker labor up to twenty-four hours for each of the seven days. The worker, on the other hand, as seller of the commodity, has a completely opposed position. While the capitalist does indeed have the use of his labor-power, this meets its limits in the physical and mental capacity of the worker. A horse cannot work for more than eight hours, day in, day out, without being ruined. A human being, likewise, in order to restore the energy spent in labor, needs a certain time for eating, clothing, rest, etc. If he does not have this, then his labor-power is not simply used, but destroyed. The worker is weakened by excessive labor and his life cut short. If each week the capitalist shortens the life of the worker by two weeks, by limitless consumption of his labor-power, this is the same as if he were appropriating three weeks for the wage of one. From the same standpoint of commodity exchange, this means that the capitalist is robbing the worker. In relation to the working day, capitalist and worker represent two diametrically opposed positions on the commodity market, and the actual length of the working day is decided only by struggle between the capitalist class and the working class, as a *question of power*. Inherently, therefore, the working day has no definite limits; in different times and places we find working days of eight, ten, twelve, fourteen, sixteen and eighteen hours. And as a whole, the struggle over the length of the working day lasts for centuries. We can distinguish two major phases in this struggle. The first begins in the late Middle Ages, in the fourteenth century, when capitalism took its first hesitant steps and began to shatter the firm protective armor of the guild regime. The normal customary working time, in the golden age of handicrafts, amounted perhaps to ten hours, with meal times, sleep, recreation, rest on Sundays and feast days being comfortably observed in all particulars. This was sufficient for traditional handicraft with its slow methods of work, but it was not sufficient for the early manufacturing enterprises. The first thing that the capitalists required from governments, accordingly, was the extension of working time. Between the fourteenth and the late seventeenth centuries, we see in England, France and Germany specific laws covering the *minimum working day*, i.e. bans on workers and journeymen working less than a definite working time, which was generally twelve hours per day. The great cry from the Middle Ages down to the eighteenth century is the struggle against workers' idleness. But once the power of the old guild handicrafts was broken, and a massive proletariat lacking any means of labor and forced to sell its labor-power appeared, while on the other hand large factories with feverish mass

production arose, the page turned in the eighteenth century. A sudden consumption of workers of every age and both sexes began, with entire populations of workers being mown down in a few years as if by plague. A British MP declared in Parliament in 1863: "The cotton trade has existed for ninety years ... It has existed for three generations of the English race, and I believe I may safely say that during that period it has destroyed nine generations of factory operatives." And a bourgeois English writer, John Wade, wrote in his book on the *History of the Middle and Working Classes*, "The cupidity of mill-owners whose cruelties in the pursuit of gain have hardly been exceeded by those perpetrated by the Spaniards in the conquest of America in the pursuit of gold." In the 1860s in England, in certain branches of industry such as stocking making, children of nine or ten years old were occupied from two, three or four o'clock in the morning until ten, eleven or twelve at night. In Germany, the conditions that prevailed until recently, in mirror manufacture and in baking, for example, are sufficiently well known. It was modern capitalist industry that first succeeded in making the formerly quite unknown discovery of nightwork. In all earlier social conditions, night was seen as a time determined by nature itself for human rest. The capitalist enterprise discovered that surplus value extracted from the worker at night was in no way different from that extracted by day, and introduced day and night shifts. Sundays, which in the Middle Ages were most strictly observed by the handicraft guilds, were sacrificed to the capitalists' hunger for surplus value, and equated with other working days. On top of this were dozens of little inventions to extend working time: taking meals on the job without a pause, cleaning machines after the regular working day ends, i.e. during the workers' rest time, and so on. This practice of the capitalists, which prevailed quite freely and unimpeded in the early decades, soon made necessary a series of new laws about the working day – this time not to forcibly extend working hours, but rather to curtail them. And the first legal restrictions on the maximum working day were not forced by the pressure of workers, but by capitalist society's own instinct for self-preservation. The first few decades of unrestricted operation of large-scale industry produced such a devastating effect on the health and living conditions of the mass of working people, with tremendous mortality, disease, physical crippling, mental desperation, epidemic disease and unfitness for military service, that the very survival of society seemed deeply threatened. It was clear that if the natural drive of capital for surplus value were not reined in by the state, whole states would sooner or later be turned into giant cemeteries, in which only the bones of workers would be visible. But without workers there is no exploitation of workers. In its own interest, accordingly, in order to secure the future of exploitation, capital had to set some limits to present exploitation. The strength of the people had to be protected to a certain extent, in order to secure their future exploitation. A transition was necessary from an unviable economy of robbery to rational exploitation. This gave rise to the first laws on the maximum working day, along with bourgeois social reform in general. We can see a counterpart of this in the hunting laws. Just as game are protected by law for a definite time, so that they can multiply rationally and regularly as an object for hunting, in the same way social reform ensures the labor-power of the proletariat a certain time of protection, so that it can serve rationally for exploitation by capital. Or, as Marx put it, the restriction of factory work was dictated by the same necessity that forces the landowner to spread fertilizer over the fields. Factory legislation was born in a hard struggle of decades against the resistance of individual capitalists, initially for children and women, and in particular industries step by step. France then followed, where the February revolution of 1848, under the initial pressure of the victorious Paris proletariat, proclaimed the twelve-hour working day, this being also the first general law on the

working time of all workers, including adult men in all branches of industry. In the United States, a general movement of workers for the eight-hour day began immediately after the Civil War of 1861[-65], which abolished slavery, a movement that then spread to Europe. In Russia, the first protective legislation for women and minors arose from the great factory disturbances of 1882 in the Moscow industrial zone, and a working day of eleven and a half hours for adult men was the result of the first general strike of 60,000 textile workers in St Petersburg in 1896-97. Germany is now limping behind all other major modern states, with protective legislation only for women and children.

So far we have spoken only of one particular aspect of wage-labor, working time, and here we already see how the simple commodity transaction of buying and selling labor-power has many particular features. But it is necessary here to recall Marx's words:

It must be acknowledged that our worker emerges from the process of production looking different from when he entered it. In the market, as owner of the commodity "labor-power," he stood face to face with other owners of commodities, one owner against another owner. The contract by which he sold his labor-power to the capitalist proved in black and white, so to speak, that he was free to dispose of himself. But when the transaction was concluded, it was discovered that he was no "*free agent*," that the period of time for which he *is free* to sell his labor-power is the period of time for which he *is forced* to sell it, that in fact the vampire will not let go "while there 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 prevented from selling themselves and their families into slavery and death by *voluntary contract with capital*.

Labor protection legislation is in fact the first official acknowledgement by present-day society that the formal equality and freedom on which commodity production and exchange is based already breaks down, collapses into inequality and unfreedom, as soon as labor-power appears on the market as a commodity.

### 5.3

The capitalists' second method for expanding surplus value is the reduction of wages. Like the working day, wages also have no definite limits. Above all, if we speak of the wages of labor, we need to distinguish between the money that the worker receives from the entrepreneur, and the quantity of means of subsistence that he obtains for this. If all we know about a worker's wage is that he is paid, for example, two marks per day, we effectively know nothing. For when prices are high, the same two marks will buy much less in terms of means of subsistence than when prices are low. In one country, the same two-mark coin means a different standard of living than it does in another, and the same applies to almost every region within a country. The worker may even receive more money as his wage than previously, and at the same time live not better but just as badly, or even worse. The real, actual wage, therefore, is the sum of means of subsistence that the worker obtains, whereas the money wage is only the nominal wage. If the wage is then simply the monetary expression of the value of labor-power, this value is actually represented by the amount of labor that is spent on the worker's necessary means of subsistence. But what are these "necessary means of subsistence"? Aside from individual differences between one worker and another, which play no role, the different standard of living of the working class in

different countries and at different times already shows that the concept “necessary means of subsistence” is very variable and flexible. The better-off English worker of today considers his daily intake of beefsteak as necessary for life, while the Chinese coolie lives on a handful of rice. In connection with the flexibility of the concept “necessary means of subsistence,” a similar struggle develops over the level of wages as it does over the length of the working day. The capitalist, as buyer of commodities, explains his position as follows: “Is it not quite completely correct that I must pay its proper value for the commodity labor-power, just like any honest purchaser? But what is the value of labor-power? The necessary means of subsistence? Well, I give my worker exactly as much as is necessary for his life; but as to what is absolutely necessary to keep someone alive, this is a matter for science first of all, i.e. for physiology, and secondly a matter of general experience. And it goes without saying that I give exactly this minimum; for if I were to give a penny more, I would not be an honest purchaser, but rather a fool, a philanthropist, making a gift from my own pocket to the person from whom he has bought a commodity. I don’t give my shoemaker or cigarette seller a penny extra, but try to buy their commodities as cheaply as possible. In the same way, I try to buy labor-power as cheaply as possible, and we are completely on the level if I give my worker the barest minimum that he needs to maintain his life.” The capitalist here is completely within his rights, from the standpoint of commodity production. But the worker is no less within his rights when he responds to the commodity purchaser: “Of course I cannot claim more than the actual value of my commodity, labor-power. But what I demand is that you really do pay me its full value. I don’t want anything more than the necessary means of subsistence. But what means of subsistence are necessary? You say that the answer to this is supplied by the science of physiology and by experience, and that these show what is the minimum a person needs in order to maintain life. What you refer to here, by the concept of ‘necessary means of subsistence’ is therefore the absolutely, *physiologically* necessary. But this is against the law of commodity exchange. For you know as well as I do that what decides the value of every commodity on the market is the labor *socially* necessary for its production. If your shoemaker offers you a pair of boots and asks 20 marks for them, as he has spent four days working on them, you will reply: ‘I can get boots like this from the factory for only 12 marks, as they can be made in a day with machinery. Given that it is now usual to produce boots by machine, your four days’ work was not necessary, from the social point of view, even if it was necessary for *you*, as you don’t work with machines. But I can’t help that, and will pay you only for the socially necessary labor, i.e. 12 marks.’ If this is how you proceed when purchasing boots, you must then pay the socially necessary costs of maintaining my labor-power when you buy this. Socially necessary to my labor, however, is everything that in our country and in the present age is seen as the customary maintenance of a man of my class. In a word, what you have to pay me is not the physiologically necessary minimum that barely keeps me alive, as you would give an animal, but rather the socially customary minimum that ensures my habitual standard of living. Only then will you have paid the value of the commodity as an honest purchaser, otherwise you are buying it below its value.”

We see here how the worker is just as much in the right as the capitalist, simply from the commodity standpoint. But it is only over time that the worker can get this standpoint accepted – as a social class, i.e. as a whole, as organization. Only with the rise of trade unions and a workers’ party does the worker begin to sell his labor-power at its value, i.e. to insist on maintaining his life as a social and cultural necessity. Before the appearance of trade unions in a country, however, and before their acceptance in each particular branch of industry, what was decisive in determining

wages was the tendency of the capitalist to reduce the means of subsistence to the physiological minimum, the animal minimum, i.e. to regularly pay for labor-power below its value. The time of unrestrained rule of capital, still not meeting any resistance on the part of workers' coalitions and organization, led to the same barbaric degradation of the working class in relation to wages as it did in relation to working time before the introduction of factory legislation. This is a crusade by capital against any trace of luxury, comfort and convenience in the life of the worker, as he was accustomed to in the earlier period of handicrafts and peasant economy. It is an attempt to reduce the worker's consumption to the simple bare act of supplying the body with a minimum of fodder, in the way that cattle are fed or machinery is oiled. In this connection, the lowest and least needy workers are presented to the spoiled worker as model and example. This crusade against the human maintenance of the workers began in England – along with capitalist industry. An English writer complained in the eighteenth century: "Simply consider the shocking quantity of superfluities that our manufacturing workers consume, for example brandy, gin, tea, sugar, foreign fruit, strong beer, pressed linen, snuff and smoking tobacco, etc." At that time the French, Dutch and German workers were offered as a model of frugality to the English workers. An English manufacturer wrote: "Labor is a whole third more reasonable in France than in England; for the French poor" – this is how they referred to the workers – "work hard and are sparing on food and clothing, their main consumption being bread, vegetables, roots and dried fish, for they very seldom eat meat, and very little bread when wheat is dear." Around the beginning of the nineteenth century, an American, Count [Benjamin Thompson] Rumford, produced a special "cook-book for workers" with recipes for cheaper food. One recipe from this famous book, for example, which was accepted with great enthusiasm by the bourgeoisie of several countries, went: "Five pounds of barley, five pounds of maize, 30 pfennigs worth of herrings, 10 pfennigs of salt, 10 pfennigs of vinegar, 20 pfennigs of pepper and vegetables – total 2.08 marks, provides a soup for sixty-four people, and with the average price of grain, the cost of food can be reduced to no more than 3 pfennig per head." Of the workers in the mines of South America, whose daily work, perhaps the heaviest in the world, consists in carrying on their shoulders a weight of ore of between 180 and 200 lbs. from a depth of 450 feet, Justus Liebig relates that they live only on bread and beans. They would prefer just bread as their nourishment, but their masters, having found that they cannot work so hard on bread, treat them like horses and force them to eat beans, as beans contribute more to the building of bones than does bread. In France, the first hunger revolt of the workers took place already in 1831 – that of the silk weavers in Lyon. But capital celebrated its greatest orgies in the reduction of wages under the Second Empire, in the 1860s, when machine industry proper took hold in France. The entrepreneurs fled from the towns to the countryside, where they could find cheaper hands. And they found women there who would work for one sou a day, about four pfennigs. But this wonderful state of affairs did not last long, for such a wage could not sustain even an animal existence. In Germany, capital first introduced similar conditions in the textile industry, where wages in the 1840s were driven down even below the physiological minimum, leading to the hunger revolts of weavers in Silesia and Bohemia. Today the animal minimum subsistence remains the rule for wages where trade unions do not have their effect on the standard of living – for agricultural workers in Germany, in dressmaking, and in the various branches of domestic industry.

#### 5.4

In ratcheting up the burden of labor and pressing down the living standard of working people to as near as possible an animal level, if not sometimes indeed below this, modern capitalist exploitation is similar to that of the slave and *corvée* economies at the time of their worst degeneration, i.e. when each entered its respective phase of decay. But what capitalist commodity production is unique in having brought forth, quite unknown in all earlier epochs, is the partial non-employment and consequent non-consumption of working people as a constant phenomenon, i.e. the so-called reserve army of labor. Capitalist production depends on the market and must follow its demand. This however changes continuously and alternately generates so-called good and bad years, seasons and months of business. Capital must continuously adapt to the changing conjuncture, and accordingly employ either more or fewer workers. It must, accordingly, in order to have to hand at any time the labor-power needed for even the highest market demand, constantly keep available in reserve, on top of the workers actually employed, a considerable number of unemployed. These workers, not being employed, receive no wage, their labor-power is not bought, it simply remains in store; the non-consumption of a section of the working class is thus an essential component of capitalist production's law of wages. How these unemployed live their life is no concern of capital, yet capital rebuffs any attempt to abolish the reserve army as a danger to its own vital interests. A striking example of this was offered by the English cotton crisis of 1863. When the spinning and weaving mills of England suddenly had to break off production for want of American raw cotton, and close to a million of the working population were workless, a number of these unemployed decided to emigrate to Australia in order to escape the threat of starvation. They asked the English Parliament to grant £2 million to facilitate the emigration of 50,000 unemployed workers. The cotton manufacturers, however, raised a storm of indignation against this suggestion from the workers. Industry could not do without machines, and like machines, the workers had to remain available. "The country" would suffer a loss of £4 million if the starving unemployed suddenly disappeared. Parliament accordingly refused the emigration fund, and the unemployed remained chained to the breadline so as to form the necessary reserve for capital. A still more dramatic example was offered by the French capitalists in 1871. After the defeat of the [Paris] Commune, when the butchery of the Paris workers, in both legal and extra-legal forms, was pursued to such an enormous degree that tens of thousands of proletarians, including the best and most capable, the elite of the working class, were murdered, the satisfied sense of revenge on the part of the entrepreneurs was punctuated by an unease that a shortage of reserve "hands" might soon be painfully felt; it was precisely at this time, after the end of the war, that industry was experiencing a vigorous upswing. Several Paris entrepreneurs accordingly applied to the courts to have the persecution of Commune fighters moderated and thus save workers from military butchers for the army of capital.

For capital, however, the reserve army has a dual function: first, to supply labor-power for every sudden upswing in business, and second, to exert a constant pressure on the active workforce by competition from the unemployed, and so reduce their wages to a minimum.

Marx distinguished four different strata in the reserve army, with differing functions for capital and its conditions of existence. The topmost stratum is the periodically inactive industrial workers, who are present in all trades, even the best-situated ones. Their members constantly change, as every worker is unemployed at certain times and active in others; their numbers also fluctuate sharply with the course of business, becoming very high in times of crisis and low at the peak of the cycle; but

they never disappear, and generally increase with the progress of industrial development. The second stratum are the unskilled proletarians who flood into the towns from the country, who appear on the labor market with the lowest demands, and as simple workers are not tied to any definite branch of industry, but are ready for employment in any branch as a reservoir. The third category is the lower order of proletarians, who have no regular employment and are constantly looking for one kind of casual labor or another. Here we find the longest working time and the lowest wages, and for this reason this stratum is quite as useful for capital, and as directly indispensable, as the former categories. This stratum is constantly recruited from the surplus numbers in industry and agriculture, but particularly from small-scale artisans who go under and from dying trades. It forms the broad basis for domestic industry, and acts as it were behind the scenes, behind the official showground of industry. And here it not only has no tendency to disappear, but actually grows both by the increasing effects of industry in town and country, and by the greatest production of children.

Finally, the fourth stratum of the proletarian reserve army are the direct paupers, the recognized poor, some of them capable of work, who in times when industry and trade are good are to a certain extent taken on, being then the first to be dismissed in times of crisis; others are incapable of work: older workers whom industry can no longer use, proletarian widows, orphans and pauper children, crippled and mutilated victims of large-scale industry, mining, etc., and finally those unaccustomed to work: vagabonds and the like. This stratum merges directly with the lumpenproletariat: criminals and prostitutes. Pauperism, Marx said, is the disability home for the working class and the dead weight of its reserve army. Its existence follows just as necessarily and unavoidably from the reserve army as the reserve army does from the development of industry. Poverty and the lumpenproletariat are part of the conditions of existence of capitalism and grow together with it; the greater is social wealth, functioning capital, and the mass of workers employed by it, the greater too is the available stratum of unemployed, the reserve army; and the greater the reserve army in relation to the mass of employed workers, the greater is the lowest stratum of poverty, pauperism and crime. The number of unemployed and unwaged thus grows unavoidably along with capital and wealth, and so does the beggared stratum of the working class – official poverty. *“This is the absolute general law of capitalist accumulation,”* wrote Marx.

The formation of a constant and growing stratum of unemployed was, as we said, unknown in all earlier forms of society. In the primitive communist community, it goes without saying that everyone works to the extent that is necessary to maintain their life, partly from immediate need, and partly under the pressure of the moral and legal authority of the tribe, the community. But *all* members of society are also provided with the available means to live. The standard of living of the primitive communist group is certainly quite low and simple, the conveniences of life are primitive. But to the extent that the means for life do exist, they are present equally for all, and poverty in the present-day sense, deprivation of the existing social resources, is at this time quite unknown. The primitive tribe sometimes goes hungry – even often, if it suffers from unfavorable natural conditions – but its lack is then the lack of society as such, whereas lack on the part of some members of society at the same time as a surplus is available for others, is something unthinkable; to the extent that the society’s means of subsistence are ensured on the whole, so is the existence of each individual.

In Oriental and antique slavery we see the same thing. No matter how the Egyptian state slave or the Greek private slave was exploited and overworked, no

matter how great the distance between his bare maintenance and the excess of the master might have been, his maintenance was at least ensured for him by the slave relationship. Slaves were not allowed to die of hunger, any more than a horse or a cow is today. It was the same with the *corvée* relationship of the Middle Ages: the chaining of the peasantry to the soil, and the solid construction of the whole feudal system of dependence, in which everyone had to be lord over others, or the servant of a lord, or both at once – this system ascribed everyone a definite place. No matter how bad the squeezing of the serfs might be, no lord had the right to drive them from the soil, i.e. rob them of their means of subsistence; on the contrary, the serf relationship obliged the lord in cases of distress, such as fire, flood, hail, etc., to support the impoverished peasants. It was only when the Middle Ages came to an end, with the collapse of feudalism and the entry of modern capital, that expropriation of peasant land got under way. In the Middle Ages, however, the existence of the great mass of working people was fully secured. To some extent, already at this time, a small contingent of paupers and beggars emerged as a result of the countless wars or of individual loss. But it was a duty of society to maintain these poor. Emperor Charlemagne already laid down expressly in his capitularies, “As for the beggars who wander around the countryside, we desire that each of our vassals should feed the poor, whether on the estate enfeoffed to him or within his house, and he should not allow them to go and beg elsewhere.” Later, it was a special vocation of monasteries to lodge the poor, and to provide them with work if they were capable of this. In the Middle Ages, therefore, any needy person was sure of reception in any house, the feeding of those without means was seen as a simple duty, and was in no way linked with the stigma of contempt faced by a beggar today.

Past history knows only one case where a large stratum of the population was left unoccupied and workless. This is the already mentioned case of the ancient Roman peasantry, who were driven off the land and transformed into a proletariat, with no work to do. This proletarianization of the peasantry was of course a logical and necessary consequence of the development of great latifundia, along with the spread of the slave economy. But it was in no way necessary for the existence of the slave economy and large landed property. On the contrary, the unemployed Roman proletariat was simply a misfortune, a pure burden on society, and this society tried all available means to control the proletariat and its poverty, by periodic distributions of land, by distribution of foodstuffs, by organizing an immense food import and by subsidizing the price of grain. In the end, this great proletariat in ancient Rome was simply maintained by the state.

Capitalist commodity production, accordingly, is the first economic form in the history of humanity in which the lack of occupation and resources of a large and growing stratum of the population, and the direct and hopeless poverty of another stratum, is not simply a result of this economy but also a necessity for it, a condition of its existence. Insecurity of existence for the entire working mass, and chronic lack, in part direct poverty, of broad strata, are for the first time a normal social phenomenon. And the scholars of the bourgeoisie, who cannot imagine any other form of society than today's, are so imbued with the natural necessity of this stratum of unemployed and workless that they explain it as a natural law intended by God. The Englishman Malthus, at the beginning of the nineteenth century, constructed on this basis his celebrated theory of overpopulation, according to which poverty develops because humanity has the evil habit of multiplying children more quickly than means of subsistence.

As we have seen, however, it is nothing else than the simple effect of commodity production and exchange that led to these results. The law of commodities, which

rests formally on complete equality and freedom, produces by iron necessity, without any intervention of statute or force, a glaring social inequality such as was unknown in all earlier conditions based on the direct rule of one person over another. For the first time now, direct hunger becomes a scourge inflicted daily on the life of the working masses. And this is also explained as a law of nature. The Anglican parson [Joseph] Townsend wrote as far back as 1786:

It seems to be a law of Nature that the poor should be to a certain degree improvident, that there may always be some to fulfill the most servile, the most sordid, and the most ignoble offices in the community. The stock of human happiness is thereby much increased, whilst the more delicate are not only relieved from drudgery ... but are left at liberty without interruption to pursue those callings which are suited to their various dispositions ... [The Poor Law] tends to destroy the harmony and beauty, the symmetry and order of that system which God and Nature have established in the world.

The “more delicate,” who live at the cost of others, had already seen the finger of God and a law of nature in every social form that secured them the joys of the exploiting life. Even the great minds of the past did not escape this historical deception. Two thousand years before the English parson, the great Greek thinker Aristotle wrote:

It is nature itself that has created slavery. Animals are divided into males and females. The male is a more perfect animal, and rules; the female is less perfect, and obeys. Similarly there are in the human race individuals that stand as much below others as the body stands below the soul or the animal below man; these are creatures that are fit only for physical work and are unfit to produce anything more perfect. These individuals are destined by nature for slavery, since there is nothing better for them than to obey others ... Does there exist so great a difference between the slave and the animal? Their works are similar, they are useful to us only by way of their body. We conclude from these principles, therefore, that nature has created certain men for freedom and others for slavery, and that it is accordingly useful and right that there should be slaves.

“Nature,” which is made responsible for every form of exploitation, must at all events have acquired a rather jaded taste over time. For even if it might still be worthwhile to demean a large mass of people with the shame of slavery, in order to raise a free people of philosophers and geniuses like Aristotle on their backs, the demeaning of millions of proletarians today to support vulgar factory-owners and fat parsons is a less attractive goal.

## 5.5

We have examined up till now what standard of living the capitalist commodity economy provides for the working class and its various strata. But we still know nothing precise as to the relationship between this living standard of the workers and social wealth in general. The workers may in one case, for example, have more means of subsistence, more nourishing food and better clothing than before, but if the wealth of the other classes has grown still more rapidly, then the *share* of the workers in the social product has grown smaller. The living standard of the workers in itself, in absolute terms, may thus rise, while their share relative to other classes falls. The living standard of each individual and each class, however, can only be correctly judged if the conditions of the particular time and the other strata of the same society are taken into account. The prince of a primitive, half-savage or barbaric African tribe has a lower standard of living, i.e. a simpler dwelling, poorer clothing, cruder food, than an average factory worker in Germany. But this prince lives in a “princely”

fashion in comparison with the means and demands of his tribe, whereas the factory worker in Germany lives very poorly, compared with the luxury of the rich bourgeoisie and the needs of the present day. In order therefore to judge correctly the position of the workers in the present society, it is necessary not only to examine absolute wages, but also relative wages, i.e. the share that the worker's wage makes up out of the total product of his labor. We assumed in our earlier example that the worker had to work the first six hours out of an eleven-hour working day in order to cover his wage, i.e. his means of subsistence, and then spend five hours creating surplus value for the capitalist for free. We assumed in this example, therefore, that the production of means of subsistence for the worker cost six hours' labor. We also saw how the capitalist seeks by all means to press down the living standard of the worker, to expand to the maximum the unpaid labor, surplus value. But let us assume that the worker's living standard does not change, i.e. that he is still in the position to obtain the same quantities of food, clothing, linen, furniture, etc. We assume, therefore, that there is no reduction in wages in absolute terms. If however the production of all these means of subsistence becomes cheaper, as a result of advances in production, and requires therefore less time, then the worker will spend a shorter time covering his wage. Let us assume that the quantity of food, clothing, furniture, etc. that the worker needs per day no longer demands six hours' labor but only five. Then the worker will not spend six hours out of his eleven-hour day replacing his wage, but only five hours, and he will have six hours remaining for unpaid labor, for the creation of surplus value for the capitalist. The share of the worker in his produce has been reduced by one-sixth, while the share of the capitalist has grown by one-fifth. There has however been no reduction in the absolute wage. It may even come about that the living standard of the workers is increased, i.e. that absolute wages rise, let us say by 10 percent, and indeed not just in money terms, but also the actual means of subsistence of the workers. But if the productivity of labor has risen in the same time by some 15 percent, then the share of the workers in the product, i.e. their relative wage, has actually fallen, despite the rise in absolute wages. The share of the worker in the product thus depends on the productivity of labor. The less labor it takes to produce his means of subsistence, the smaller his relative wage. If the shirts that he wears, his boots and his caps, are produced with less labor than before, due to advances in manufacture, then he may obtain with his wage the same quantity of shirts, boots and caps with his wage, but at the same time he now receives a smaller share of the social wealth, the total social product. The daily consumption of the worker, however, is made up of the same quantities of all the different products and raw materials. Not only do [advances in] shirt manufacture cheapen the worker's maintenance, but likewise in the cotton manufacture that supplies material for his shirts, the machine industry that supplies sewing machines, and the yarn industry that supplies yarn. Similarly, the worker's provisions are made cheaper not only by advances in baking, but also by American agriculture that supplies grain on a massive scale, by advances in railways and steam shipping that bring this American grain to Europe, and so on. Every advance in industry, every increase in the productivity of human labor, makes the maintenance of the workers cost ever less labor. The worker need therefore spend an ever smaller part of his working day on replacing his wage, and the part in which he creates unpaid labor, surplus value for the capitalist, becomes every greater.

But the constant and ceaseless progress of technology is a necessity for capitalism, a condition of its very existence. Competition between individual entrepreneurs forces each of them to produce their product as cheaply as possible, i.e. with the greatest possible saving on human labor. And if any one capitalist introduces a new

and improved process into his own factory, this competition forces all other entrepreneurs in the same branch of production to improve their technology in the same way, so as not to be driven from the field, i.e. the commodity market. The visible outward form of this is the general introduction of machine power in place of manual, and the ever more rapid introduction of new and improved machines in place of old. Technical inventions in all areas of production have become a daily occurrence. The technical transformation of all industry, not only in production itself but also in means of communication, is an incessant phenomenon, a vital law of capitalist commodity production. And every advance in labor productivity is expressed in a reduction in the amount of labor needed to maintain the worker. In other words, capitalist production cannot take a single step forward without reducing the share of the workers in the social product. With each new technological invention, each improvement of machinery, each new application of steam and electricity to production and communications, the share of the worker in the product grows smaller and the share of the capitalist larger. Relative wages steadily fall lower and lower, without pause or interruption, while surplus value, i.e. the unpaid wealth of the capitalists squeezed out of the worker, grows just as steadily and constantly higher and higher.

We see here again a striking difference between capitalist commodity production and all earlier forms of society. In the primitive communist society, as we know, the product is distributed equally, directly after production, to everyone who works, i.e. to all members of society, as there is practically no one who does not work. Feudal relations are governed not by equality but by the exploitation of workers by non-workers. But it is not the share of the worker, i.e. the *corvée* peasant, that is determined by the fruit of his labor, rather the share of the exploiter, the feudal lord, that is fixed in terms of the definite dues and fees that he receives from the peasant. What remains over in working time and product is the share of the peasant, so that in normal conditions, before the extreme degeneration of serfdom, he has to a large extent the possibility of increasing his own share by exerting more labor-power. Of course, this share of the peasant was steadily reduced by the growing demands of the nobles and clergy for services and fees, over the course of the Middle Ages. But it was always definite, visible norms laid down by men, no matter how arbitrarily they were established, that determined the respective shares of the product of the *corvée* peasant and his feudal leech. For this reason, the medieval *corvée* peasant or serf could perceive and feel exactly when greater burdens were imposed on him and his own share was stinted. It was possible therefore to struggle against the reduction of this share, and such struggle broke out, when external conditions made this possible, as an open struggle of the exploited peasant against the curtailing of his share in the product of his labor. In certain conditions, this struggle was actually successful: the freedom of the urban burghers precisely arose by the way that the former bonded artisans gradually shook off the various *corvées* – Kurmeden, Besthaupt, Gewandrecht, and the thousand other ways of bleeding of the feudal age – one after another, until they conquered the rest – political freedom – by open struggle.

In the wage system there are no legal or customary determinations of the share of the worker in his product, not even arbitrary and forcible ones. This share is determined by the degree of productivity of labor at the time, by the level of technology; it is not the caprice of the exploiter but the progress of technology that steadily and relentlessly reduces the share of the worker. It is then a completely invisible power, a simple mechanical effect of competition and commodity production, that seizes from the worker an ever greater portion of his product and leaves him an ever smaller one, a power that has its effects silently and unnoticeably behind the back of the workers, and against which no struggle is therefore possible. The personal role of the exploiter

is still visible, whenever it is a question of the absolute wage, i.e. the actual standard of living. A reduction in wages that brings about a suppression of the actual living standard of the workers is a visible attack by the capitalists on the workers, and it is generally countered by immediate struggle when trade unions exist, in favorable cases even successfully. The fall in relative wages, in contrast to this, seemingly occurs without the least personal participation of the capitalist, and within the wage system, i.e. on the basis of commodity production, the workers have no possibility of struggle and defence against it. Workers cannot struggle against technical advances in production, against inventions, the introduction of machinery, against steam and electricity, against improvements in means of communication. The effect of all these advances on the relative wage of the workers thus follows quite mechanically from commodity production and the commodity character of labor-power. This is why even the most powerful trade unions are quite impotent against this tendency to a rapid fall in relative wages. The struggle against the fall in relative wages accordingly means also a struggle against the commodity character of labor-power, i.e. against capitalist production as a whole. The struggle against a decline in relative wages is thus no longer a struggle on the basis of the commodity economy, but rather a revolutionary, subversive initiative against the existence of this economy, it is the socialist movement of the proletariat.

This explains the sympathies of the capitalist class for trade unions, which they originally fought furiously against, once the socialist struggle has begun – at least in so far as trade unions allow themselves be opposed to socialism. In France, all struggles of the workers to obtain the right of combination were in vain until the 1870s, and trade unions pursued with draconian penalties. Soon after, however, once the Commune uprising had put the whole bourgeoisie into a mad fear of the red specter, a sudden sharp transformation in public opinion began. The personal organ of President [Léon] Gambetta, *La République française*, and the whole ruling party of “satisfied republicans,” began to praise the trade-union movement, even to propagate it eagerly. In the early nineteenth century, the restrained German workers were pointed out to the English workers as a model, whereas today it is the English worker, and not even the restrained ones but the “covetous” beefsteak-eating trade unionist, who is recommended to the German worker as a model to follow. So true is it that the bourgeoisie finds even the most bitter struggle to increase the absolute wage of the workers a harmless triviality compared with an attack on what is most sacred to it – the mechanical law of capitalism to constantly suppress the relative wage.

## 5.6

Only if we bring together all the results of the wage relationship presented above, can we understand the capitalist law of wages that governs the material condition of life of the worker. What is most important is to distinguish absolute from relative wages. The absolute wage, for its part, appears in a double guise: first as a sum of money, i.e. the nominal wage, and second as a sum of means of subsistence that the worker can buy for this money, i.e. the real wage. The worker’s monetary wage may remain constant or even rise, while his living standard, i.e. the real wage, falls at the same time. The real wage has the constant tendency to fall to the absolute minimum, the minimum of physical existence, in other words there is a constant tendency on the part of capital to pay for labor-power *below* its value. Only workers’ organization provides a counterweight to this tendency of capital. The main function of the trade unions is that, by increasing the needs of the workers, by elevating their habits, they create in place of the physical minimum existence a cultural social minimum, below which wages cannot be reduced without immediately provoking a collective

struggle in defense. The great economic significance of Social Democracy, too, is particularly that by stirring the broad masses of workers intellectually and politically, it raises their cultural level and with it their economic needs. When such things as subscribing to a newspaper or buying pamphlets become part of a worker's everyday habits, his economic maintenance rises, and correspondingly so do wages. The effect of Social Democracy in this respect is a double one, if the trade unions of the country in question maintain an open alliance with Social Democracy, since opposition to Social Democracy drives even bourgeois strata to found competing unions, which in their turn carry the educational effect of organization and the rise in cultural level to broader strata of the proletariat. We see, therefore, how in Germany, besides the free trade unions that are allied with Social Democracy, a number of Christian, Catholic and secular trade-union associations are also active. The situation is similar in France, where so-called yellow trade unions were founded to combat the socialist unions, while in Russia the most violent outbreaks of the present revolutionary mass strike began with the "yellow" unions quiescent towards the government. In England, however, where the trade unions keep their distance from socialism, the bourgeois do not bother to spread the idea of combination in proletarian milieus.

The trade union thus plays an indispensable organic role in the modern wage system. It is only through the union that labor-power as a commodity is placed in a position where it can be sold at its value. The capitalist law of value, in relation to labor-power, is not abolished by the trade unions, as [Ferdinand] Lassalle misguidedly assumed; on the contrary, it is only by their action that it is realized. The systematic giveaway price at which the capitalist seeks to buy labor-power is increasingly replaced by a more or less real price thanks to union action.

This function of theirs, however, is performed by the trade unions in the context of the pressure of the mechanical laws of capitalist production, first of all the constant reserve army of inactive workers, and second, the constant fluctuations of the trade cycle up and down. Both laws impose limits to the effect of trade unions that cannot be overcome. The constant change in the industrial trade cycle forces the unions, with every decline, to defend existing achievements from new attacks by capital, and with every upswing, once again to raise the level of wages that had been reduced back up to the level corresponding to the new situation. In this way, the unions are always placed on the defensive. The industrial reserve army of unemployed, however, puts what could be called spatial limits on the effect of the unions: only the upper stratum of the most well-situated workers are accessible to their organization and effects, those for whom unemployment is only periodic, "abnormal" as Marx put it. The lowest stratum of unskilled rural proletarians, on the other hand, constantly flooding into the town from the countryside, as well as from the various semi-rural irregular trades such as brickmaking and digging, are by the very spatial and temporal conditions of their occupation, as well as by their social milieu, less amenable to trade-union organization. Finally, the broad lower stratum of the reserve army: the unemployed with irregular occupation, domestic industry, as well as the sporadically employed poor, fall completely outside all organization. In general, the greater the need and pressure in a stratum of the proletariat, the less the possibility of trade-union influence. Trade-union action, accordingly, is very weak in the depths of the proletariat, while it is strong in the breadth – i.e. even if unions cover only a part of the topmost stratum of the proletariat, their influence extends to the whole stratum, as their achievements benefit the whole mass of workers employed in the trades in question. Trade-union action, in fact, leads to a stronger differentiation within the proletariat as a whole, by raising out of misery the upper advance detachment of industrial workers, those capable of organization, bringing them together

and consolidating them. The gulf between the upper stratum of the working class and the lower strata thereby becomes that much greater. In no country is it as great as in England, where the additional cultural effect of Social Democracy on the lower strata, those less capable of organization, is absent, in contrast to the situation in Germany.

It is quite wrong in depicting capitalist wage relationships to focus only on the wages actually paid to industrial workers in employment, a habit of the bourgeoisie and its paid writers that has unfortunately been generally adopted even by the workers themselves. The entire reserve army of unemployed, from the occasionally unemployed skilled workers down to the deepest poverty and official pauperism, is a necessary factor in determining the wage relationships. The lowest strata of the needy and excluded who are employed only to a small extent or not at all, are not as it were a scum that does not form part of "official society," as the bourgeoisie very understandably present them, but are connected with the topmost, best-situated stratum of industrial workers by a whole series of intermediate steps. This inner connection is shown numerically by the sudden growth in the lower strata of the reserve army that occurs every time that business is bad, and the corresponding contraction at the peak of the business cycle, as well as by the relative decline in the number of those who resort to public assistance with the development of the class struggle and the related rise in self-consciousness of the mass of proletarians. And finally, every industrial worker who is crippled at work or has the misfortune of being sixty years old, has a fifty-fifty chance of falling into the lower stratum of bitter poverty, the "beggary stratum" of the proletariat. The living conditions of the lowest strata of the proletariat thus follow the same laws of capitalist production, pulled up and down, and the proletariat, along with the broad stratum of rural workers, the army of unemployed, and all strata from the very top to the very bottom, forms an organic whole, a social class, whose varying gradations of need and oppression can only be correctly grasped by the capitalist law of wages as a whole. Finally, however, no more than half of the law of wages is grasped if just the movement in absolute wages is taken into account. Only the law of automatic decline in relative wages that follows from the increase in labor productivity displays the capitalist law of wages in its full scope.

The observation that workers' wages have the tendency on average to stand at the minimum necessary means of subsistence, was made already in the eighteenth century by the French and English founders of bourgeois political economy. But they explained the mechanism by which this minimum wage was governed in a peculiar manner, i.e. by fluctuations in the supply of hands seeking work. If the workers obtain higher wages than are absolutely necessary for life, these learned men declared, then they marry more and bring more children into the world. In this way, the labor market becomes so overfilled again that it far surpasses the demands of capital. Capital then presses wages sharply down, taking advantage of the great competition among workers. But if wages do not suffice for the necessary maintenance of life, then workers die off on a massive scale, and their ranks are thinned out until only so many remain as capital has a need for, with the result that wages again rise. By this pendulum between excessive proliferation and excessive mortality in the working class, wages are always brought back again to the minimum means of subsistence. This theory, which prevailed in political economy until the 1860s, was taken over by Lassalle, who called it a "merciless iron law" ...

The weaknesses of this theory are quite evident today, with the full development of capitalist production. Large-scale industry, with its feverish pace of business and competition, cannot wait to reduce wages until workers first marry too often, then have too many children, then until these children grow up and appear on the labor

market, before it finds the over-supply it desires. The movement of wages, corresponding to the rhythm of industry, does not have the comfortable motion of a pendulum whose swing takes a generation, i.e. twenty-five years; wages are rather in a ceaseless vibrating motion, so that neither can the procreation of the working class govern the level of wages, nor can industry with its demand for the procreation of workers. Secondly, the industrial labor market is generally determined in its extent not by the natural procreation of the workers, but rather by the constant influx of freshly proletarianized strata from the countryside, from handicrafts and small-scale industry, as well as that of the workers' own wives and children. The over-supply of the labor market, in the form of the reserve army, is a constant phenomenon of modern industry and a condition of its existence. So it is not a change in the supply of labor-power, not the movement of the working class that is decisive for the level of wages, but rather change in the demand from capital, *its* movement. A surplus of the commodity labor-power always exists in reserve, and its payment is better or worse according to whether capital moves to strongly absorb labor-power at the peak of the business cycle or to expel it again on a massive scale in the commotion of economic crisis.

The mechanism of the law of wages is thus quite different from how it was assumed by bourgeois political economy, and also by Lassalle. The result, however, i.e. the pattern of wage relations that actually arises from this, is still worse than it was according to that old assumption. The capitalist law of wages is certainly not an "iron" law, but it is still more relentless and terrible, being an "elastic" law that seeks to press the wages of employed workers down to the minimum in terms of means of subsistence, by simultaneously keeping a whole large stratum of unemployed squirming on a thin elastic tightrope between existence and non-existence.

The positing of the "iron law of wages" with its provocative revolutionary character was possible only at the beginnings of political economy, in its youthful years. From the moment that Lassalle made this law the axis of his political agitation in Germany, the lackeys of bourgeois political economy hastened to conjure away the iron law of wages, condemning it as a false and erroneous doctrine. A whole pack of regular paid agents of the manufacturers, such as [Léon] Faucher, [Hermann] Schulze von Delitzsch and Max Wirth, launched a crusade against Lassalle and the iron law of wages, in which connection they recklessly smeared their own predecessors: Adam Smith, Ricardo, and the other great creators of bourgeois political economy. Once Marx had shown the elastic character of the capitalist law of wages, under the effect of the industrial reserve army, in 1867, bourgeois political economy finally went silent. Today, the official professorial science of the bourgeoisie has no law of wages at all, preferring to avoid this tricky subject and simply advance incoherent babbling about the lamentable character of unemployment and the usefulness of moderate and modest trade unions.

We have the same comedy in relation to the other major question of political economy, i.e. how is capitalist profit created, where does it come from? Just as on the subject of the share of the worker in the wealth of society, so on that of the capitalist, too, the first scientific answer was given already by the founders of political economy in the eighteenth century. This theory was given its clearest form by David Ricardo, who clearly and logically explained the profit of the capitalist as the unpaid labor of the proletariat.

## 5.7

In our consideration of the law of value, we started with the purchase and sale of the commodity labor-power. This already requires, however, a proletarian wage-worker without means of production, and a capitalist who possesses these on a sufficient scale to found a modern enterprise. How did these emerge on the commodity market? In our earlier presentation, we had only commodity producers in view, i.e. people with their own means of production, who themselves produce commodities for sale. How could capital on the one hand, and a complete lack of means on the other, arise on the basis of the exchange of equal commodity values? We have now seen that the purchase of the commodity labor-power, even at its full value, leads, when this commodity is put to use, to the formation of unpaid labor or surplus value, i.e. of capital. The formation of capital and inequality thus becomes clear, once we consider wage-labor and its effects. But this means that capital and proletarians must already be in existence! The question therefore is, how and from what did the first proletarians and the first capitalists arise, how was the first leap made from simple commodity production to capitalist production? In other words, how did the transition take place from small-scale medieval handicrafts to modern capitalism?

As to the rise of the first modern proletariat, the answer is given by the history of the dissolution of feudalism. In order for a worker to appear on the market, he had to have obtained personal freedom. The first precondition for this was therefore emancipation from serfdom and forced labor. But he also had to have lost all means of production. This was brought about by the massive “enclosure,” through which the landholding nobility formed their present estates at the dawn of the modern age. Peasants by the thousands were driven from the land they had possessed for centuries, and communal peasant lands taken over by the lords. The English nobility, for example, did this when the expansion of trade in the Middle Ages, and the blossoming of wool manufacture in Flanders, made the raising of sheep for the wool industry a profitable business. In order to transform fields into sheep-walks, the peasants were simply driven off the land. These “enclosures” in England lasted from the fifteenth century through to the nineteenth. In the years 1814-20, for example, on the estates of the Duchess of Sutherland, no less than 15,000 inhabitants were evicted, their villages burned down and their fields converted into meadows, on which 131,000 sheep were kept instead of peasants. In Germany, a notion of how this violent manufacture of “free” proletarians out of banished peasants was accomplished by the Prussian nobility, is given by [Wilhelm] Wolff’s pamphlet *Die schlesische Milliarde* [The Silesian Billion]. These peasants, deprived of their existence, had nothing left but the freedom either to starve or to sell themselves, free as they were, for a hunger wage.

## 6. The tendencies of the capitalist economy

### 6.1

We have seen how commodity production arose in the wake of the step-by-step dissolution of all forms of society with a definite planned organization of production – the primitive communist society, the slave economy, the medieval *corvée* economy. We have also seen how the present-day capitalist economy emerged out of simple commodity economy, urban artisanal production, quite mechanically at the end of the Middle Ages, i.e. without human will and consciousness. We initially posed the question: *how is the capitalist economy possible?* This is indeed the fundamental question of political economy as a science. And this science supplies us with an adequate answer. It shows how the capitalist economy, which in view of its total lack of planning,

its lack of any conscious organization, is at first sight something impossible, an inextricable puzzle, can nevertheless exist and function as a whole. This happens:

- By commodity exchange and the money economy, whereby all individual producers, and the most remote regions of the earth, are economically linked together, and a division of labor accomplished that spans the world;
- By free competition, which ensures technological progress and at the same time constantly transforms small producers into wage workers, whereby capital is supplied with purchasable labor-power;
- By the capitalist law of value, which on the one hand automatically takes care that wage workers never rise up from the proletarian state and escape labor under the command of capital, while on the other hand making possible an ever greater accumulation of unpaid labor into capital, and thereby ever greater concentration and extension of means of production;
- By the industrial reserve army, which provides capitalist production with a capacity for extension and adaptation to the needs of society;
- By equalization of the rate of profit, which governs the constant movement of capital from one branch of production into another, and thus regulates the balance of the division of labor; and finally
- By price fluctuations and crises, which in part daily, and in part periodically, lead to a balance between blind and chaotic production, and the needs of society.

In this way, by the mechanical effect of the above economic laws, the capitalist economy arose and exists entirely by itself, without any conscious intervention of society. In other words, it becomes possible in this way, despite the lack of any organized economic connection between the individual producers, despite the complete planlessness in people's economic activity, for social production and its circuit with consumption to proceed, for the great mass of society to be put to work, the needs of society to be met one way or another, and economic progress, the development of the productivity of human labor, to be secured as the foundation of the progress of culture as a whole.

These however are the fundamental conditions for the existence of any human society, and as long as an economic form that has developed historically satisfies these conditions, it can claim to be a historical necessity.

Social conditions, however, are not rigid and immovable forms. We have seen how in the course of time they undergo many alterations, how they are subject to constant change, in which the progress of human culture beats a path for development. The long millennia of the primitive communist economy, which led human society from its first origins in a semi-animal existence to a high level of cultural development, with the construction of language and religion, stock-raising and agriculture, sedentary life and the formation of villages, is followed by the gradual demolition of primitive communism and the construction of antique slavery, which in turn brings with it major new advances in social life, to end again with the decline of the antique world. On the ruins of the antique world, the communist society of the Germanic peoples was the point of departure for a new form – the *corvée* economy, on which medieval feudalism was based.

Once again, development follows its uninterrupted course. In the womb of feudal society, germs of a completely new economic and social form arise in the towns, with the formation of guild handicrafts, commodity production and regular trade; it collapses and makes way for capitalist production, which arises out of artisanal

commodity production thanks to world trade, the discovery of America and of the sea route to India.

The capitalist mode of production, for its part, is already right from the start, viewed in the quite immense perspective of historical progress, not something inalterable that exists forever; it is simply a transitional phase, a rung on the colossal ladder of human cultural development, in the same way as previous social forms. And indeed, the development of capitalism itself, on closer inspection, leads on to its own decline and beyond. If we have up to now investigated the connections that make the capitalist economy *possible*, it is now time to familiarize ourselves with those that make it *impossible*. For this, we need to trace the specific internal laws of capitalist supremacy in their further effect. It is these very laws that at a certain level of development turn against all the fundamental conditions without which human society cannot exist. What particularly distinguishes the capitalist mode of production from all its predecessors is that it has the inherent impetus to extend automatically across the whole of the earth, and drive out all other earlier social orders. In the time of primitive communism, the whole world accessible to historical research was likewise covered with communist economies. But between individual communist communities and tribes there were scarcely any connections, or only weak ones between neighboring communities. Every such community or tribe lived a life closed in on itself, and if for example we find such striking facts as that the medieval Germanic communist community and the ancient Peruvian community in South America were almost identical, the "*mark*" in one being the "*marca*" in the other, this circumstance remains for us an unexplained puzzle, if not mere chance. At the time of the spread of ancient slavery, too, we find greater or lesser *similarity* in the organization and relations of individual slave economies and states of antiquity, but no common economic life between them. In the same way, the history of guild handicraft and its emancipation was repeated in more or less the same way in most towns of medieval Italy, Germany, France, Holland, England, etc., but for the most part the history of each town was a separate one.

Capitalist production extends itself to all countries, not just giving them a similar economic form, but linking them into a single great capitalist world economy.

Within each European industrial country, capitalist production ceaselessly drives out petty trade, handicraft and small peasant production. At the same time it draws all backward European countries, and all the lands of America, Asia, Africa and Australia, into the world economy. This happens in two ways: by world trade and by colonial conquests. Both began together with the discovery of America at the end of the fifteenth century, extended further in the course of the following centuries, and particularly in the nineteenth century experienced the greatest upswing and spread ever more widely. World trade and colonial conquest go hand in hand in the following way. First of all they bring the capitalist industrial countries of Europe into contact with forms of society of all kinds across the world that are based on earlier cultural and economic stages: peasant, slave economy, feudal *corvée*, but above all primitive communist. By drawing these into trade, they are rapidly shaken and destroyed. By the foundation of colonial trading companies abroad, or by direct conquest, the land, and the most important foundation of production such as cattle where these are present, come into the hands of European states or trading companies. In this way, the indigenous social relations and mode of economy of native peoples are everywhere destroyed, whole peoples partly eradicated, partly proletarianized and placed under the command of industrial and commercial capital as slaves or wage-laborers in one form or another. The history of colonial wars lasting decades runs right through the nineteenth century: uprisings against France, Italy, England and Germany in Africa,

against France, England, Holland and the United States in Asia, against Spain and France in America – a long and stubborn resistance by the old indigenous societies against their destruction and proletarianization by modern capital, a struggle in which eventually capital everywhere triumphs in the end.

First of all, this means a tremendous extension of the realm of capital, the construction of a world market and world economy, in which all inhabited lands of the earth are reciprocally producers and customers for products, working integrally together and participating in one and the same earth-spanning economy.

The other side, however, is the advancing immiseration of ever greater circles of humanity around the globe, and the increasing uncertainty of their existence. To the extent that in place of old communistic, peasant or *corvée* relations, with their limited productive powers and low standard of living, but with firm and secure conditions of existence for all, there appear capitalist colonial relations, proletarianization and wage-slavery, all the peoples affected in America, Asia, Africa and Australia come to experience bare misery, an unknown and unbearable burden of labor, and finally complete insecurity of existence. After fertile and rich Brazil had been transformed for the needs of European and North American capitalism into a gigantic wasteland of monotonous coffee plantations, and the indigenous people en masse into proletarianized wage-slaves on these plantations, these wage-slaves were suddenly exposed to a purely capitalist phenomenon: the so-called “coffee crisis,” resulting in long-term unemployment and naked hunger. The rich and immense subcontinent of India was subjected by English colonial policy to the rule of capital after decades of desperate resistance, and since this time famine and typhus have been periodic guests in the Ganges region, to which millions have succumbed. In central Africa, English and German colonial policy over the last twenty years has transformed whole populations into wage-slaves and starved others, their bones lying scattered everywhere. The desperate revolts and famines in the Chinese empire are the result of the crushing of the old peasant and artisan economy of this country by the entry of European capital. The arrival of European capitalism in North America was accompanied first by the extermination of the indigenous Amerindian population and the theft of their lands by English emigrants, then by the establishment at the start of the nineteenth century of a capitalist raw-materials production for English industry, and the enslavement of four million black Africans who were sold to America by European slave-traders, to be used as labor-power on the cotton, sugar and tobacco plantations under the command of capital.

In this way, one continent after another comes inextricably under the rule of capital, and on every continent one territory after another, one race after another, with ever new and uncounted millions succumbing to proletarianization, enslavement, insecurity of existence, in short, immiseration. The establishment of the capitalist world economy brings in its wake the spread of ever greater misery, an unbearable burden of labor and a growing insecurity of existence across the whole globe, corresponding to the accumulation of capital in a few hands. The capitalist world economy increasingly means the yoking of all humanity to heavy labor with countless deprivations and sufferings, with physical and mental degeneration for the purpose of capital accumulation. We have seen how capitalist production has the peculiarity that consumption, which in every previous economic form is the purpose, is here only a means, simply a way of serving the real purpose: the accumulation of capitalist profit. The self-expansion of capital appears as alpha and omega, as the intrinsic purpose and meaning of all production. The craziness of this situation, however, only appears to the extent that capitalist production develops into world production. Here, on the scale of the world economy, the absurdity of the capitalist economy attains its true

expression in the picture of all humanity groaning with frightful suffering under the yoke of a blind social power, capital, that it has itself unconsciously created. The underlying purpose of every social form of production, the maintenance of society by labor, the satisfaction of its needs, is placed here completely on its head, with production not being for the sake of people, but production for the sake of profit becoming the law all over the earth, with the under-consumption, constant insecurity of consumption, and sometimes direct non-consumption of the immense majority of people becoming the rule.

At the same time, the development of the world economy also leads to other important phenomena, important even for capitalist production itself. As we said, there are two stages in the intrusion of the rule of European capital into non-European countries: first the entry of trade, with the indigenous people being drawn into commodity exchange, and to some degree also the transformation of the existing forms of production of the indigenous peoples into commodity production; then the expropriation of these peoples from their land, in one form or another, i.e. from their means of production. These means of production are transformed into capital in the hands of the Europeans, while the indigenous peoples are transformed into proletarians. These two steps, however, are sooner or later followed by a third: the founding of capitalist production in the colonial country itself, either by emigrant Europeans or by enriched indigenous individuals. The United States of America, which was only populated by English and other European emigrants once the native redskins had been exterminated in a long war, first formed an agricultural hinterland of capitalist Europe, supplying raw materials such as cotton and grain for English industry, and customers for industrial products of every kind from Europe. In the second half of the nineteenth century, however, the United States developed its own industry, which not only displaced imports from Europe, but soon presented a tough competition to European capitalism in Europe itself, as well as on other continents. In India, English capitalism has similarly been faced with dangerous competition from an indigenous textile industry and others. Australia has embarked on the same path of development from a colonial country into a country of capitalist industry. In Japan, an indigenous industry developed already with the first step – under the impulse of foreign trade – and preserved Japan from partition as a European colony. In China the process of fragmentation and plundering of the country by European capitalism has been complicated by China's effort, with the aid of Japan, to found its own capitalist production as a defence against the European, though this attempt also leads to increased and complicated sufferings for its population. In this way, not only does the rule and command of capital spread over the whole earth by the creation of a world market, but the capitalist mode of production itself spreads steadily across the whole earth. This however means that the need of production to expand comes into an ever more unhappy relationship with its terrain of expansion, its outlet opportunities. It is the innermost need of capitalist production, as we have seen, the very law of its existence, that it should have the possibility of not remaining stable but extending ever more widely and ever more rapidly, i.e. producing ever greater masses of commodities, in ever larger factories, and ever more rapidly, with ever better technical means. This expansion possibility of capitalist production knows no inherent limits, since there are no limits to technological progress and hence to the productive powers of the earth. But this need for expansion does come up against quite particular limits, i.e. those of the interest of capitalist profit. Production and its expansion only have a sense if they yield at least the "customary" average profit. Whether this is the case depends on the market, i.e. on the relationship between effective demand on the part of consumers, and the amount of commodities produced along with their prices. The

interest of capitalist profit requires on the one hand an ever more rapid and greater production, thereby creating of itself at each step market limitations that stand in the way of the impetuous expansive pressure of production. The result of this, as we have seen, is the unavoidability of industrial and trade crises, which periodically balance the relationship between the inherently unbounded, limitless capitalist pressure of production and the barriers to capitalist consumption, and make possible the continued existence of capitalism and its further development.

Yet the more countries develop a capitalist industry of their own, the greater is the need and possibility for expansion of production, while the smaller in relation to this is the possibility of expansion due to market barriers. If we compare the leaps by which English industry grew in the 1860s and 70s, when England was still the leading capitalist country on the world market, with its growth in the last two decades, since Germany and the United States have significantly displaced England on the world market, it is clear that growth has become much more slow in relation to the previous period. But what was the particular fate of English industry unavoidably faces German and North American industry too, and eventually the industry of the whole world. Incessantly, with each step of its own further development, capitalist production is approaching the time when its expansion and development will be increasingly slow and difficult. Of course, capitalist development still has a good way to go, as the capitalist mode of production proper still represents only a very small fraction of total production on earth. Even in the oldest industrial countries of Europe, there are still alongside large industrial firms very many small and backward artisanal workshops, and above all, much the greater part of agricultural production is not capitalist but still pursued along peasant lines. There are also whole countries in Europe in which large-scale industry is hardly developed, local production still bearing a principally peasant and artisanal character. And finally, in the other continents, with the exception of the northern part of America, capitalist production sites are only small and scattered points, while whole immense expanses of land have in part not even made the transition to simple commodity production. Of course, the economic life of all these strata of society and countries that do not produce capitalistically, both in Europe and elsewhere, is dominated by capitalism. The European peasant may still conduct the most primitive economy on his holding, but he is dependent at every turn on the big-capitalist economy, on the world market, with which he has been brought into contact by trade and by the tax policy of the large capitalist states. In the same way, the most primitive countries outside of Europe have been brought by world trade and colonial policy under the sway of European and North American capitalism. The capitalist mode of production is still able to achieve powerful expansion by everywhere suppressing all more backward forms of production. In generally, the movement, as we have seen, is in this direction. But precisely through this development capitalism becomes caught in a fundamental contradiction. The more that capitalist production takes the place of more backward forms, the more tightly the limits placed on the market by the interest of profit constrict the need of already existing capitalist firms to expand. The matter becomes clear if we imagine for a moment that the development of capitalism has proceeded so far that on the whole earth everything that people produce is produced capitalistically, i.e. only by private capitalist entrepreneurs in large firms with modern wage-workers. Then the impossibility of capitalism clearly appears.

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