



Ernest Mandel

The Centenary of Marx's *Capital*

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*Ernest Mandel's latest book, **The Formation of the Economic Thought of Karl Marx from 1843 up to the Publication of Capital**, was published by Maspero in 1967 on the occasion of the 100th anniversary of Marx's major work. His authoritative **Treatise on Marxist Economics** has gone through three editions in French and been translated into numerous languages from German to Arabic. This spring it will appear in an English and American edition.*

On August 16, 1867, Marx finished correcting the last proofs of the first volume of **Capital** and sent a brief and moving note to Engels: "This has been possible thanks to you alone. Without your self-sacrifice for me I could never possibly have done the enormous work for the three volumes. I embrace you, full of thanks." In fact, the first volume of **Capital** was not brought out by

the publisher, Meissner of Hamburg, until a month later, on September 14, 1867.

This book, which has had an incalculable influence on modern history, has provoked a permanent controversy over its real nature since the end of the nineteenth century. Louis Althusser and his school have recently rekindled this controversy in France. [1]

Precisely what is **Capital**? Is it a work of economics? Is it a work of revolutionary politics? Is it a philosophical text? Is it the beginning of modern sociology? Some people have even declared that it is above all the work of a moralist.

The subtitle of the work is: *A Critique of Political Economy*. “Political economy” is for Marx a demi-science, a science which was transformed into an ideology. It was arrested in its development and deviated from the scientific path because it remained captive to the prejudices and concepts of the dominant class of its epoch, the bourgeoisie. It was because their own logic would have obliged them to condemn the capitalist mode of production, expose its contradictions, demonstrate its transitory character and presage its end that the bourgeois economists were incapable of completing the work of Adam Smith and Ricardo and that the classical school of political economy began to decay.

In carrying through the “critique of political economy” Marx therefore had to combine three steps at one time. He had to analyze the functioning of capitalist economy by disclosing its contradictions and showing to what extent the official economic science is incapable of rendering an account of these and explaining them. He had to analyze the theories of the bourgeois economists, set forth the contradictions, inadequacies and errors of their theories and trace these back to their roots in the ideological, that is to say, their apologetic

role, in relation to bourgeois society. And he had to analyze the class struggle between the capitalists and the workers, which enabled the economic and ideological evolution to be incarnated in living men who made their own history, in the last instance through the class struggle.

The partisans of Louis Althusser are certainly right when they say that the object of **Capital** is essentially a “socio-economic structure,” the specific analysis of the capitalist mode of production. **Capital** does not pretend to provide an explanation of all human societies, past and to come. It is more modestly content to explain only the society which has been dominant for the past four centuries: bourgeois society.

But the partisans of Althusser are not simply right when the narrowly circumscribe the object of **Capital** in this manner. They are also wrong, for this definition does not allow us to render an account of the full complexity of Marx’s major work.

To be able to explain the operation of the capitalist mode of production, Marx was obliged to trace back the origin of the “economic categories” (commodity, value, money, capital); however, their origin is located in precapitalist society. He is therefore also obliged to undertake the work of an historian as well as to provide basic materials for the understanding of precapitalist societies.

And Marx could not validly analyze the contradictions of the capitalist mode of production without providing a powerful instrument of struggle to the working class, without thereby actively intervening in this class struggle and without trying to orient it toward a precise objective: the overthrow of capitalist society. The Marx of 1867 had not forgotten the imperishable aphorism of the Marx of 1845: “Hitherto, the philosophers have only interpreted the world differently; the point is, to change it.”

Capital is therefore a work that is both theoretical and practical, philosophical and economic, historical and sociological. It could not be otherwise because of the method Marx used to write it.

Marx himself tersely defined this method when he wrote Maurice Lachâtre on March 18, 1872, that he had applied to the study of economic problems a method which had never before been applied to them. He was obviously referring to the dialectical method. This combines the fullest use of empirical data with a critical analysis of them, by disclosing their internal contradictions, contradictions which are most clearly evident when the origins of these same phenomena are studied.

Thanks to the application of this method Marx was able to surmount the weaknesses and inadequacies of the classical school of political economy. He perfected the labor theory of value (which explains the origin of the value of commodities, a social phenomenon, by the quantity of labor socially necessary for their production), by distinguishing “labor” from “labor power,” and by explaining that what capitalism buys is not the “labor” of the worker but his “labor power,” his capacity for working.

With this refinement, he was able to elaborate the category of “abstract labor,” that is to say, of labor, without distinction as to trade, averaging out the totality of labor time at the disposition of society. And by detailing it in this way he was able to formulate his theory of surplus value, which is defined as the difference between the price (the value) of labor power, and the value produced by this same labor power.

All these discoveries, which simultaneously overturned economic science and socialist theory, had already been made by 1859, in Marx’s little book **Contribution to a Critique of Political Economy**, which is especially celebrated for its

Preface formulating in classical terms the Marxist theory of historical materialism. But it is in **Capital** that they are found deployed in all their richness.

Capital above all seeks to set forth the “natural laws of capitalist production.” These are all derived from the fundamentals of the structure: the theory of labor value and the theory of surplus value.

Capitalist production is production for the market under the conditions of private ownership of the means of production, that is, under the conditions of competition. To win out in this competition, or at least not to go under, the industrial capitalist has to reduce his costs of production. He achieves this by developing technology, the machine system. In so doing, he replaces living labor by a machine and pitilessly subjects the former to the latter. At the same time he kills two birds with one stone: He lowers his costs of production, facilitating the conquest of markets; he reduces employment, generating the unemployment which presses down on the wage workers and thus increases his share of the “net value” produced by his workers. This “net value” is essentially divided between wages and profits; if the share of the first is reduced, the share of the second is automatically augmented.

To be able to develop technology and the machine system, the capitalist needs a constantly growing quantity of capital since machines become more and more numerous and costly with the development of technology. There is only one fundamental means of increasing capital: augmenting profit. For it is through the investment of these profits (through the “accumulation of capital”) that capitals grow.

To augment his profit’s the capitalist can resort to two means: either by reducing wages (or by prolonging the working day without increasing the daily wage) or by

augmenting the productivity of labor without increasing wages (or by raising these less than the productivity of labor rises). The first method was above all applied up to the end of the 19th century in Europe (it continues to be applied in the underdeveloped countries); it culminates in an absolute impoverishment of the working class. The second method has above all been applied in Europe since the end of the 19th century; it culminates in a relative impoverishment of the working class (that is to say, the per capita income of the wage worker increases less quickly than the per capita income of the population). The statistics confirm this.

The accumulation of capital, the instrument for beating out competition, culminates in the concentration of capital. The big fish eat up the little ones. Since the costs of the original installation incessantly increase, only a smaller and smaller number of the big capitalist trusts can spread into the most technically advanced branches of industry. The other day an American economist predicted that by the end of the century three hundred giant corporations would dominate the whole of capitalist world economy.

But this colossal upsurge of productive forces is accomplished in an anarchic and unorganized manner. It is oriented toward the realization of private profit and not toward the satisfaction of human needs. Hence the tendency to overproduction inherent in the capitalist mode of production which is nowadays expressed under the aspect of excess productive capacity. Hence the tendency toward periodic economic crises which are shamefacedly called "recessions.

Capital, as we have remarked, has not only overturned economic science. It likewise overturned the workers movement. It transformed socialism from a utopia into a science. It forged a weapon for the workers, with which they

cannot only detect the weak points in the armor of their adversaries, but also prepare for the advent of a new society, socialist society.

At the moment when the young Marx and Engels drafted the **Communist Manifesto** at Brussels in 1847, there were scarcely several hundred revolutionary socialists organized in three or four countries. The liberating cry: “Workers of all lands, unite!” did not then correspond to any experienced reality. The scientific diagnosis: “The history of all epochs has been the history of class struggles” could then be grasped by the principal actors in the contemporary drama – the workers in large-scale industry – only in a few countries.

Twenty years later, when **Capital** appeared, there was already a workers international on the scene and a trade union consciousness had grown up among the workers of half a score of countries. But this was still no more than a very small vanguard. In number, compared with the whole of humanity, it was an insignificant marginal group, although it could already throw a “great fear ” into capital during the proclamation of the Paris Commune.

No more than twenty years later, scientific socialism had become a movement embracing millions of workers throughout the world. And a half century after the publication of **Capital**, the first abundant dividends were collected: The working class conquered power for the first time in a big country, in Russia, in October 1917.

Today, there is not a single country, not even an island, small as it may be, on this planet where a private industrialist does not confront a working class organized into unions or political parties. Today hundreds of millions of workers, intellectuals, poor peasants and students are ranged under Marx’s banner. There is not much chance capitalism will survive the twentieth century and that it will be able to

contemplate the 150th anniversary of **Capital** with the same mixture of respect, irritation and complacency with which it is still able, in some industrialized countries, to mark the centenary in its fashion.

Marx rightly predicted: “The bourgeoisie will remember my carbuncles for a long time.” Such is the power of thought, when it is scientific, that is to say, when it can comprehend the meaning of evolution and when it takes hold of the consciousness of the masses.

Note

1. Louis Althusser is a prominent professional philosopher belonging to the French Communist Party. He is the author of **Pour Marx** and **Lire le Capital**.
