

## **Marx on the History of Political Economy and the Critique of Socialism: Ideology-critical Insights from His Excerpt Notebooks**

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### **I. The role of the history of economic theories in Marx's critique of political economy**

Until now, Marx's critique of the history of political economy has been understood based on the *Marx-Engels-Werke (MEW) Band 26, 1965-68*, which is said to be a “critical” edition of *Theories of Surplus-Value [Volume IV of Capital]*, edited by Karl Kautsky after the death of Marx and Engels in the early 20th century. While declaring that it is not Marx's “original work,” its preface incorporates pre-Marxian economic theories, especially the labor theory of value, into the components of the Marxist *Weltanschauung* and positions Marxian economic theory as the socialist doctrine that scientifically proved surplus value. To be sure, all manuscripts of this work were republished in their original form by 1982 as part of the *Marx-Engels-Gesamtausgabe (MEGA) edition, or 1861–63 Economic Manuscripts*. However, the MEGA editions up to the 1980s, as pointed out in the 2013 Preface to the second edition, had a Marxist-Leninist tendency in its preface and index of personalities, and so on (MEGA II/3, xv). Thus, the task remains for contemporary MEGA scholars to “historically contextualize” Marx's critique of economic theories itself using new material in MEGA, including excerpt notebooks.

As newly emphasized recently by MEGA editor (Jakob 2021), in 1851, when Marx began his economic study in earnest, he envisioned a three-volume book: (1) Critique of Political Economy, (2) History of Political Economy, and (3) History of Socialism and its Critique. Later, in his letter to Lassalle in 1858, when Marx was writing *Grundrisse*, he stated that he planned to work on (2') Critique and History of Political Economy and Socialism, and (3') a brief historical sketch of the development of the economic categories and relations, as a separate work from (1') Capital: Critique of Political Economy (MEGA III/9, 73). In other words, at this point in time, (2') the investigation of the critical history of political economy and the critical history of socialism was considered as one and the same thing, apart from (1') Critique of Political Economy. Although it is beyond the scope of this paper to examine the Marx's writing plans of *Capital* in detail, there is a subtle but important change between the plan after the writing of *1861–63 Economic Manuscripts* and the plan in *Grundrisse*, which has not been focused on. In his letter to Engels on July 31, 1865, Marx envisioned a four-volume plan of *Capital*, stating that the fourth volume would be “the historical-literary part” in contrast to the first three “theoretical parts”, which corresponded to the three volumes of *Capital* (MEGA III/13, 510).

This “history of economic theories,” which was said to be “relatively easiest part,” no longer included critique and history of socialism, as in the *Grundrisse*-plan. The object of investigation, so to speak, had been purified to political economy then.

Marxian “theory” of the history of economic theories tends to be understood only as a component of the completed Marxian political economy, through the ideological effect of Marxism-Leninism. However, as is clear from his writing plans of *Capital*, Marx himself completes only the first part of his four-volume plan, leaving the second and subsequent parts unfinished. This point is very important to understand the significance of the historical contextualization of Marx's critique of the history of economic theories through MEGA, including the excerpt notebooks. This is because Marx's critique of the history of political economy must be viewed not as Marxist theory of the history of economic theories, but as a part of his own critique of political economy, and furthermore, not as Marxist theory of socialism, but in relation to his own critique of socialism. We shall begin, therefore, by reviewing the chapter organization of Marx's writings and manuscripts to see how the critique of the history of economic theories is incorporated in Marx's critique of political economy.

## **II. Marx's critique of the history of economic theories in *A Contribution to the Critique of Political Economy*, *Capital* and the related manuscripts**

In *A Contribution* (1859), in which only the chapters on 1: The Commodity and 2: Money or Simple Circulation are included, first A: Historical Notes on the Analysis of Commodities (MEGA II/3, 130-) is placed as a supplement to the theoretical analysis of Chapter 1, and secondly B: Theories of the Standard of Money (MEGA II/3, 148-) is positioned as a supplement to Chapter 2.1: Measure of Value, and thirdly C: Theories of the Medium of Circulation and of Money (MEGA I/3, 217-) is placed as a supplement to Chapter 2.2: Means of Circulation and Chapter 2.3: Money. As for A, the theories of Petty, Boisguilbert, James Steuart, Smith, Ricardo, and Sismondi are examined mainly on the theme of “the duality of labor”. As for B, Steuart's theory of money as a unit of account and John Gray's theory of labor notes are mainly investigated; as for C, Hume's quantity theory of money, bullion controversy, and the banking school arguments are discussed.

In the first volume of *Capital*, the “explicit” distinction between the theoretical and the historical-literary parts, as in *A Contribution*, disappeared, and as a result, the critique of the history of economic theories was inserted in places and at key points. Thus, it can be said that the role of the history of theories in Marx's critique of the political economy has become less visible. Nevertheless, the plans for first and third volumes, which are referred to in *1861–63 Economic Manuscripts*, show that the history of theories is positioned as a supplement to the theoretical part. In Volume I, 8: Theories on Surplus Value and 9: Theories of Productive Labor and Unproductive Labor are placed after 7:

Results of the Production Process, which is to be placed at the end of Volume I as a transition to Volume II (MEGA II/3, 1862). As for Volume III, 3: Smith's and Ricardo's theories on profits and the prices of production" are positioned as a supplement to the theoretical part on profits (-rate), average profits, and the prices of production, and 6: Smith, Ricardo, and Carey followed by 7: Theories on Profits, and then 11: Vulgar Economy followed by 12: Conclusion. Capital and Wage Labor (MEGA II/3, 1861). Although no such plan exists for the second volume, we can see the role of the history of theories from some parts of the second manuscript written after 1868. In the second manuscript, Chapter II: The Turnover of Capital, Marx positions "Critique of the Theory of Fixed and Circulating Capital" (MEGA II/11, 135) as a supplement to the theoretical analysis of the turnover of capital and discusses *Tableau économique* of Quesnay and Baudeau, the theories of Le Trosne and Turgot, and those of Smith and Ricardo.

Therefore, the critique of the history of theories is essential to Marx's critique of political economy. In order to insert economic theories at key points in the theoretical part of his work, Marx spent the early 1860s after writing *A Contribution* preparing so-called "Citation Notebook", reprinted from *Paris Notebooks* (1843-45), *Manchester Notebooks*, *Brussels Notebooks*, and *London Notebooks* (1849-53), and *Thick Notebooks* (1857-58). This Citation Notebook is not merely useful to Marx as a source of quotations but illustrates precisely the "historical-literary part" to supplement the theoretical part. MEGA Section IV, Volume 17 (May-June 1863), on which the Japanese MEGA editorial committee, including myself, is currently working, will contain eight *Subnotebooks* (A-H), totaling 786 pages, in which about 150 economic literatures are excerpted (Schnickmann 1979). In fact, in his letter to Engels on May 29, 1863, Marx stated, "what I did [at the British Museum] was ... to read and excerpt all kinds of literary-historical material relating to the part of political economy I have dealt with" (MEGA III/12, 377). *1863 Subnotebooks*, along with Citation Notebook, was to be used extensively in Addenda of *1861-63 Economic Manuscripts*, the first edition of *Capital*, and the manuscripts of Volumes II and III. The excerpt notebooks on economic theories published in MEGA IV, of which *Thick Notebooks* in Volume 15 and *Subnotebooks* in Volume 17 have not yet been published, are truly a first-class source for reconsidering the role of Marx's history of theories in his critique of political economy (See also Graßmann 2018).

### **III. *Anti-Dühring* as critique of socialist ideology**

Citation Notebook and *1863 Subnotebooks* are not merely utilized in *Capital* and the related manuscripts. Regarding *1863 Subnotebooks*, the focus of this paper is on Part II: Political Economy, Chapter 10: From *Kritische Geschichte* in Engels' *Anti-Dühring*, which Marx is said to have "written" in the late 1870s. *Anti-Dühring* (1877-78) is known for its contribution to the formation of

*Kommunistische Weltanschauung* (MEGA I/27, 492) in Germany after Marx's death. In particular, the pamphlet *Utopian Socialism and Scientific Socialism* (1880), published in French with three selected chapters on Part II: Socialism in *Anti-Dühring*, had also the ideological effect of establishing “scientific socialism” outside the German-speaking world. This paper deals with the 1988 MEGA edition of *Anti-Dühring* in order to separate Marx's own critique of the political economy from this Marxist *Weltanschauung* as far as possible.

Part II, Chapter 10 consists of some comments on Dühring's book: *A Critical History of National Economy and Socialism* (1871). Even before the publication of *Capital*, Dühring had been criticizing Marx for “Hegelianized Ricardian” and trying to establish his socialist economic theory by introducing the economic theories of Carey to Germany (MEGA I/27, 834-835). Marx's *Randnoten* about Dühring's book was intended to criticize his socialist theory, which was becoming increasingly influential among German socialists such as Liebknecht, Bebel, Bernstein and Most, all of whom were close to Marx and Engels, by criticizing Dühring's interpretation of the economic theories. Marx and Engels had criticized Max Stirner and other “true socialists” more than 30 years earlier in their manuscripts of *The German Ideology*, and their critique of Dühring was on the same level (MEGA I/27, 997). However, their critique of Dühring has the ideological effect of criticizing his socialism by criticizing his understanding of the history of economic theories.

We will briefly check the nature of *Randnoten* philologically. Although Part II, Chapter 10 is said to have been “written by Marx,” Engels, when serializing the articles in *Vorwärts*, significantly omitted or modified *Randnoten* provided by Marx. The MEGA edition of *Anti-Dühring* contains approximately six preparatory works, including *Notizen* and *Entwurf, Exposé* written by Marx for Engels. It is important to note that Marx makes frequent use of Citation Notebook, especially *1863 Subnotebooks*. This is a new fact that has received little attention even since the publication of the MEGA edition and cannot be read from *Anti-Dühring* and Engels' preparatory works previously published in MEW and others. Thus, as suggested by MEGA editor, *Randnoten* can be contentually positioned as a “historical-literary part” of the critique of political economy (Vollgraf 1985, 249/263). Marx excerpted *Kritische Geschichte* in 1876 for Engels, but in the process of this work, he made use of his *1863 Subnotebooks* from a new perspective and conducted his own critique of the history of economic theories. This is one of the few sources to understand how Marx tackles the critique of political economy after the publication of the first volume of *Capital*, especially in the last years of his life after the 1870s. Moreover, we can conclude that his renewed commitment to the critique of economic theories, triggered by critique of Dühring, provides the impetus for writing manuscripts of second volume which is interrupted after 1870 (Otani 2018, 338/344).

#### **IV. The contents of Marx's *Randnoten* in relation to *1863 Subnotebooks*, *Capital* and the related**

**manuscripts**

Marx's *Randnoten* criticizes of Dühring's understanding of the history of economic theories, which is heavily influenced by Carey, and his German socialist ideology. Engels' *Anti-Dühring*, Part II, "Political Economy," basically focuses on the theory of surplus value in order to counter Dühring's theory of violence and Rodbertus' theory of rent. However, Marx's *Randnoten* rather addresses the economic theories of value and money, as in *A Contribution*. After excerpting the relevant economic theories in *Notizen*, Marx's comments in *Entwurf* followed the chapter organization of Dühring's book (but only the first half). Marx's *Exposé*, which he sent to Engels, includes the titles of the chapters, but Engels erased them in his *Anti-Dühring*, so let us compare the organization of *Entwurf* with the one of *Exposé*.

<i>Entwurf</i>	<i>Exposé</i>
Chapter 1: Origins and beginnings of economic ideas	I Ancient Greece
Chapter 2: Mercantilism and Colbert's practice	II Mercantilism
Chapter 3: Predecessors and antecedents of more rational national economic theories	III Predecessors and antecedents of more rational national economic theories Petty <u>Boisguillebert and Law</u> Petty again, ditto Locke and North and all that occurred in Dühring's book from 1691 to 1752
<u>Adam Smith</u>	IV <u>David Hume</u>
Physiocrat	V Physiocrat No. 1. incidental, subordinate and provisional things about <i>Tableau économique</i> No.2. decisive things about <i>Tableau économique</i> A brief summary of what <u>Quesnay</u> himself means by <i>Tableau économique</i> Return to the violent man Dühring
Analysis of <i>Tableau économique</i> "from the height" of a system "self-generated" by Mr. Dühring	
Postscript to <u>Hume</u>	
<u>Quesnay's Tableau économique</u>	
Political Economy after Smith	
<u>Boisguillebert and Law</u>	VI <u>Adam Smith</u>
	VII End with tragedy

The subject of *Randnoten* is the history of early political economies before Smith and Ricardo, i.e.,

mercantilism and physiocrats, which accounts for two-thirds of the total of both *Entwurf* and *Exposé*. In Chapter 3 (III), Marx exalts Petty, whom Dühring condemns, as a predecessor of political economy. As in *A Contribution*, Marx credits Petty with correctly recognizing that the magnitude of commodity value is measured by "equal labor" in *A Treatise of Taxes & Contributions* (1662). By utilizing *Subnotebook* A, C, and E, Marx also states that Petty develops his own theory of interest in *Quantulumcunque concerning Money* (1695) by comparing Locke's *Lowering of Interest* (1691) and North's *Discourses upon Trade* (1691). As is clear from the diagram above, in the course of writing *Exposé*, Marx includes his own chapter on Hume, whom Dühring highly regarded as a predecessor of political economy. There, Marx deals with Vanderlindt's *Money answers all Things* (1734), which Dühring ignores, and elaborates on the relationship between Hume and Vanderlindt by making use of *London Notebooks* and *Subnotebook* E. Of particular interest is his new study of Hume's theories, which are original but not considered that important for Marx, including his biography and references to the *Edinburgh Encyclopaedia* (See Karl Marx: Exzerptheft. 1877. IISG, Marx-Engels -Nachlaß, Sign. B 139/B 131. S. 66-68). In fact, Marx concludes that Dühring, like other theories, treats in a completely superficial way Hume's most important view that "the increase of money appears only with the depreciation of precious metals" and that "'the price of labor" rises only after all commodities" (See his letter to Engels on March 3, 1877, in MEW 34, 39).

Moreover, the most important theory for Marx himself is Quesnay's *Tableau économique*, which Dühring attacks as "speculative" and "mystical". For Marx, in the first place, the physiocrats are to be "treated as the first methodological (not merely ad hoc, as in Petty and others) elucidators of capital and the capitalist mode of production" (MEW 34, 40). However, Marx notes to Engels that in his *Exposé*, he never mentions this point for fear of being falsified by other socialists. Furthermore, Marx instructed Engels to refer to three quotations from the French edition of *Capital*, along with *Exposé* and *Tableau économique* with his commentary. According to Marx, these indicate (1) the achievement of *Tableau économique* in first clarifying market-mediated annual reproduction, (2) the accurate definition of "productive labor" as producing surplus value, and (3) the significance of physiocrats in showing that surplus value could not arise from circulation.

As is well known, after examining *Tableau économique* in detail in *1861–63 Economic Manuscripts*, Marx came to hold the economic theories of Quesnay and the other physiocrats in very high esteem. In the second manuscript of Volumes II, written after 1868, he writes: "Modern political economy has to this day excluded, rather than discussed, the intertwining of individual capitals with each other and the intertwining of individual capitals with the general commodity circulation. This unthinking crudity brings out the genius and daring of Dr. Quesnay all the more brilliantly" (MEGA II/11, 45). As already mentioned, the writing of manuscripts of Volumes II and III, had been suspended since 1870, but in 1877 (from January to the beginning of March), after dealing with *Randnoten* to

Dühring's *Kritische Geschichte*, Marx again began the eighth manuscript for the third chapter, Volumes II, "The Real Conditions of the Circulation Process and the Reproduction Process. Although Marx utilized *Subnotebook C* and *D* in this work, it is likely that his work on the *Tableau économique* of Quesnay and Baudeau in his immediate previous critique of Dühring served as the basis for explaining again his own *Tableau économique*.

Marx's positioning physiocrats as "**the first systematic grasp of capitalist production**" (MEGAII/11, 701) is closely related not only to his own critique of the political economy, but also to his ideological critique of socialist economists such as Dühring. Thus, Marx's critique of history of economic theories must first of all be understood not as a component of Marxist *Weltanschauung*, but rather as a critique of the socialist *Weltanschauung* of Dühring and others. Indeed Marx always tries to correctly understand the theories of Petty and Quesnay, whom he had long appreciated, as well as those of Hume, whom Dühring had evaluated. However, his materialist and critical stance does not mean to establish the correct Marxian economic theory, especially that of surplus value. Rather, it is necessary to examine the position of the history of economic theories in Marx's critique of political economy, and what ideological effect it had in opposing the socialists of the time. The study of excerpt notebooks, including Citation Notebook and *1863 Subnotebooks*, should provide such a new perspective.

## References

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