ECONOMIC REALITY AND THE DIALECTIC OF LIBERATION

The decade between the mid-1950's and mid-1960's is filled with revolutions that not sooner transform a situation into its absolute opposite than they back up, if not all the way back to colonialism than to a form of neo-colonialism. Thus, while up to the mid-1960's opened a new page in the dialectic of thought as well as in world history, at midpoint 17 out of 37 countries gave way to military coups.

The tragedy was sturkest in Ghana where none had risen to the defense of Nkrumah, though he was the first to have led a black country to its freedom and was the first to have embarked upon a course of liberation with full awareness, both of the quintessential need for mass participation as well as of a need of a theory of revolution. Furthermore, the perspective was to extend the revolutions to the whole continent of Africa that was struggling to be liberated as well as to relate it to a whole new "Third World". The fact that Nkrumah's revolutionary rhetoric fell far short of a theory of revolution in the full tradition of Marxism does not mean that it can be dismissed as nothing but a rationalization for a new elite headed by "most corrupt". Gomsefo, as the military overthrew him so claim. Neither can Nkrumah's insistence that his downfall was nothing other than a neo-colonialist plot be taken overly seriously.

(1) One apologists for Nkrumah even attributed to him the feat that he "single-handedly outlined a programme based on the ideas of Marx, Lenin and Gandhi..." (Facing Reality by Grace Lee, J.R. Johnson, Pierre Chouliou). As for those in his immediate entourage, they degraded the whole of Marxism, Leninism, Chandism to Nkrumahism. (see Some Essential Features of Nkrumahism, by Editors of The Spark) (1964). Our concern, however is not with the varied apologists, except as they express the mutilation of the very concept of theory.
The truth is that the Ghanaian masses did not come to Nkrumah's defense. They danced in the streets instead. They demolished the statues he had raised everywhere to his own glorification, not because "Western Imperialism" paid them to do so, much less because they were "backward" and failed to understand the great philosophy of freedom called Marxism, but degraded to "Nkrumahism", but because the gulf between theory and reality could no longer be bridged. The downfall was caused, not by external causes, but by internal ones, the most important of which was Nkrumah's total isolation from the masses who had brought him to power. It is not possible to comprehend the Ghanaian, the African reality outside of, first the compelling objective forces of world production, the pull of the world market, and, second, the underlying ideologies of the East-West conflict: on the one hand, and, on the other hand, what Marx called the man quest for universality. Indeed, no analysis of the relationship of these the technologically underdeveloped nations to the technologically developed ones is complete outside of a reformulation of the relationship between theory and practice.

The fact is that when a new "energizing principle" -- that of the African masses fight for freedom -- enabled little Guinea to say "NO" to "Community" with DeGaulle's France, Guinea not only gained its independence but kept it. For that matter, so had Ghana, which is more than could be said for West Africa's largest country, Nigeria, which even in the purely political sense of independence had never really achieved freedom from its neo-colonialist state. The point at issue then is not so much the military coup that beset Africa at mid-point in the 1960's as it is to see how the world economic reality affected the newly independent African States. As against the pool of the World Market dominated by the advance economies, what was the movement arising from the dialectics of Liberation? Between these two opposing forces, the new leaders steered a course, no one knew where. Far from deepening the revolution, the ruling elite
acted as if economic development depended on purely economic factors, admitted world economic factors. Hence, the chasing between the "two camps", West and East, centrally planned or private enterprise. It is this economic reality we must now face:

Per Capita Gross Domestic Products by Major Regions 1955 and 1960

<table>
<thead>
<tr>
<th>Region</th>
<th>1955-55</th>
<th>1955-60</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed market economies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>North America</td>
<td>2.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Western Europe</td>
<td>4.2</td>
<td>3.3</td>
</tr>
<tr>
<td>Japan</td>
<td>7.0</td>
<td>8.5</td>
</tr>
<tr>
<td>Developing market economies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latin America</td>
<td>2.9</td>
<td>1.6</td>
</tr>
<tr>
<td>Africa</td>
<td>2.2</td>
<td>1.8</td>
</tr>
<tr>
<td>Far East</td>
<td>2.2</td>
<td>1.8</td>
</tr>
<tr>
<td>West Asia</td>
<td>3.0</td>
<td>2.4</td>
</tr>
</tbody>
</table>

(Sources: World Economic Survey, UN, New York 1965, p. 21)

Now compare just the technologically advanced countries of this decade, as against the whole period, 1913-1950:

<table>
<thead>
<tr>
<th>Country</th>
<th>1913-50</th>
<th>1950-60</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>0.7</td>
<td>4.4</td>
</tr>
<tr>
<td>Germany</td>
<td>1.2</td>
<td>7.6</td>
</tr>
<tr>
<td>Italy</td>
<td>1.3</td>
<td>5.9</td>
</tr>
<tr>
<td>Sweden</td>
<td>2.2</td>
<td>3.3</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>1.7</td>
<td>2.6</td>
</tr>
<tr>
<td>Canada</td>
<td>2.8</td>
<td>3.9</td>
</tr>
<tr>
<td>USA</td>
<td>2.9</td>
<td>3.2</td>
</tr>
<tr>
<td>Average</td>
<td>1.9</td>
<td>4.2</td>
</tr>
</tbody>
</table>

(Source: A. Maddison, p. 28)

There is no doubt about the phenomenal growth, but there is a great deal more than introduction of plan that is involved. Though the latter helps, the decisive feature is the holocausts of world war and the spurt to growth of capital given after the total destruction. On the other hand, it does not aid the underdeveloped technologies who had no capital to begin with, as the UN study shows.
After some 200 more pages of statistical tables and analyses, the UN economic Survey concludes:

"The considerable gaps in level of activity and extent of industrialization between the industrialized and the developing countries, each considered as a whole, remained essentially of the same dimensions in 1961 as in 1938." (p. 234)

When one considers that 1938 was not only a depression year, but one in which colonialism reigned, it is clear that the advanced economies bear down very heavily, indeed, upon the newly independent countries. Not only that, neo-colonialism is not something invented either by communists or by Africans but the most oppressive reality today. The 1966 study, for from showing any improvement over the study through 1961, discloses an actual decline. The UN study is forced to conclude:

"Indeed, if allowance is made for the reverse flows of interest and profit and indigenous capital and for the fact that a large proportion of receipts consists of transfers in kind (such as designated "surplus" commodities) or of reinvested profits earned in the developing countries themselves, it is evident that the amount of new, external, dis-possible purchasing power being made available to the developing countries has declined to a very low level." (1966 study, p.3, emphasis mine).

The worst part of all is that private capital simply does not go there anymore, now that they have found that they can get greater rates of profit in the developed countries in Western Europe. The lack of flow of investment capital to the technologically underdeveloped countries is certainly not due to the fact that they are supposedly so backward, so lacking in technical personnel that they could not absorb the capital they use. Even so conservative a person as David Rockefeller has estimated, in 1967, that the countries could absorb easily three to four billion dollars more annually than they are now receiving.
The underdeveloped countries have learned, moreover, that for those who have no accumulated capital, the new technological revolutions to industrialize more rapidly has no value whatever. They remain monocultures, the price of their one crop buffeted by the price structure of the world market, and whether they plan or do not plan, has little effect on the neo-colonialist structure. When the price of their one crop falls drastically, as cocoa did in Ghana in 1965, there are all the pre-conditions for a downfall. For that matter, even where a state, like Cuba, is protected from the worst whims of the world market and whose state plan is total, the price of sugar is still dependent upon the socially necessary labor time established by world production. In a word, to plan or not to plan is not the pivotal question under such circumstances.

The UN study reminds us also that "between 1954-65 the increase in total agricultural production is estimated to have been a mere 1%, well below the growth in population." The biggest tragedy of all is that, as distinct from agricultural production, food production per capita has diminished by 2% in 1965-66 as compared to the five year average from 1952-3 to 1957-8. Finally, the "Christian West" never even came up to the meager sum of national gross product to be contributed to the developing countries. Instead it declined to 0.8% in 1961, 0.6% in 1967, while the U.S. Congress cut the President's budget for 1968 from $3,200 million to $2,300 million, the lowest in its 20-year post-war history. No wonder that the so-called "Decade of Development" -- the 1960's -- is being called the decade of discouragement. The only reason that there is not, I emphasize not, a movement of the film backwards, is that the human factor, the persistent struggle to break from the governing laws of value operative in the world market is the great force forward, precisely because it has a totally different concept of a human social order.
It is this, just this, dominating force which governs also the still fluid situation in the underdeveloped countries as against the malaise in the developed countries.

The compulsion of the most advanced in world production sucked in, not only the underdeveloped countries but the developed ones. Thus, despite the "miracle of the 1950's" in the development of Western Europe, the American Behemoth is now being described by its Western friends as "industrial hibernation". Nevertheless, while it lasted it created a new growth fetishism. Many figures were cited to show that, in contrast to the depression and the aftermath of World War II, Western Europe was no longer buffeted about by anything that happens in the United States. Even when it was recognized that the U.S. economy, in its aggregate, even when it is merely stagnant as it was in the 1950's, it was still as large as the whole of industrialized Europe. The claim was nevertheless made that because Western Europe understood and practiced planning, because the government had assumed so important a role in the economy, these technologically developed countries were now, not only free from major depression but that "what appears as the business cycle is nowadays mainly a reflection of phases in government policies. (Angus Maddison, Economic Growth in the West, Twentieth Century Fund, New York 1964, p. 99.)

The truth is the exact opposite. The growth fetishism covered up the business recessions as if they were merely temporary governmental decisions. Now that the governmental decisions are all for growth, plus "independence" from American industry, but the actual movement is in the opposite direction, the claim that "the pattern has changed completely since 1958" (p.160) can
hardly stand up, nor can playing around with figures continue to be the new pastime.

For example, it was shown that European owned assets in the U.S. was more than U.S. assets in Europe -- 33 billion as against 29.6 billion. What was not played up was the fact that most of the European investment was in securities, whereas the majority of the American investment was in direct plants -- 14 billion American investment as against 6 billion European.

The point is that here, too, to plan or not to plan has ceased to be the pivot question, first, because it is neither a panacea nor even a substitute for a fundamental reorganization of the relations in production and, second, even where it is disclaimed altogether, as in the U.S., it is, in actuality, operative. The illusion that there is no state plan in the U.S., "a private free enterprise" country, if there ever there was one, is only one more example of what Marx called "the fixity of a popular prejudice".

All one has to do to see the state interference into the economy, the state planning that, in fact, determines the direction of private capital investments, its full empire over the field of science is to look at the statistics of any years beginning with this year and rolling it back to the depression.

Thus: (1) federal expenditures takes up no less than 10% of the total output of goods and services even in the "sensational 60's" where there has been private capital investment. As for the 1950's, where the economy was sluggish, it was practically the government alone which accounted for capital investment.
(2) These lush military contracts do not mean that private capital could be kept within the national boundaries when the profits were higher through investment in Europe while its "narrow" profitability in the U.S. was unavoidable because of the preponderance of constant capital.

(3) No less than twenty four billion dollars was expanded in 1967 alone for Research and Development. That is more than the gross national product of all but twelve countries in the world where at the outbreak of World War II government investment in Research amounted to only 3% of the gross national product, it is now no less than 63%.

(4) Towering above everything else is the militarization of the economy. Even before the escalation of the Vietnam War, it had grown at a fantastic rate. Here is what Wassily Leontief and Marvin Hoffenberg write:

"The Federal Government of the U.S. has been spending somewhat more than $40 billion per year on maintenance of the military establishment and the procurement of arms. These outlays have absorbed about 10% of the gross national product and they have exceeded by several billion the combined net annual investment in manufacturing, service, industry, transportation, agriculture." (U.S. Arms and the Economy, 1963, p. 89)

Emile Benoit, who edited that volume on Disarmament shows the terrible drop in industrial output and rise in unemployment once the Korean War ended. Moreover, with militarization decreased, there absolutely was no rise in real investment in producers durable equipment, so that by 1958 - 61 it dropped 16% below the 1956 level.

Recently, Mr. Benoit edited still one more a volume on disarmament. This time in relationship to World economic Interdependence and this first comprehensive standardized tabulation of economic resources.
covers 36 nations — and these account for 97% of the world’s military spending of 133 billion dollars — from both communist and non-communist countries and also include China, Israel and the UAR. It is this militarisation of the world’s economy which gives the lie to the supposedly miraculous growth of the phenomenal ’50’s and the sensational ’60’s.

They all — so-called socialist countries as well as private capitalist ones — include militarisation of their economies as if that were true industrialisation of their economies, and as if that somehow helped industrialise the technologically underdeveloped countries because either “Western” aid to the Volta project in Ghana or Russian aid to the High Aswan can make it so. Before further considering this, let us look how Russia itself views its own relationship to world production and world income:

**Share of ”Socialist” Countries in the World Industrial Production**

<table>
<thead>
<tr>
<th>Year</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>1917</td>
<td>Less than 3 percent</td>
</tr>
<tr>
<td>1937</td>
<td>Less than 10 percent</td>
</tr>
<tr>
<td>1950</td>
<td>About 20 percent</td>
</tr>
<tr>
<td>1955</td>
<td>Around 37 percent</td>
</tr>
<tr>
<td>1965</td>
<td>All socialist countries, about 38 percent, incl. U.S.S.R., which in itself represents almost one-fifth of the world industrial production.</td>
</tr>
</tbody>
</table>

Narodnoe khojajstvo SSSR v 1965 g., Statisticheskij ezegodnik, Centrallnoe statisticheskoj upravlenie, Moskva 1966, p. 82
### National Income in the U.S.S.R. and Foreign Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>National Income per Head (in dollars, at official rate)</th>
<th>National Income per Head (in dollars, at relative prices)</th>
<th>Absolute Volume of Total National Income (in billions of dollars, at official rate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.S.R.</td>
<td>1965</td>
<td>928</td>
<td>1,076</td>
<td>214</td>
</tr>
<tr>
<td>France</td>
<td>1965</td>
<td>2,050</td>
<td>2,060</td>
<td>401</td>
</tr>
<tr>
<td>Italy</td>
<td>1966</td>
<td>1,447</td>
<td>1,184</td>
<td>56,1</td>
</tr>
<tr>
<td>Japan</td>
<td>1964</td>
<td>1,370</td>
<td>1,304</td>
<td>48,4</td>
</tr>
<tr>
<td>Italy</td>
<td>1963</td>
<td>887</td>
<td>761</td>
<td>33,7</td>
</tr>
</tbody>
</table>

*Ibid, p. 87*
Now the point at issue only the relationship between advanced countries, it could still be shown, as the U.S. News and World Report (July 24, 1967) does, that, although Russia is second only to the U.S., it is not a very close second. Thus, though the U.S. covers only seven percent of the world's land, and six percent of the world's people, it has no less than half of the productive power of all the rest of the world. U.S. annual output was $740 billion while all the rest of the world put together, including Russia, was $1523 billion.

In a word, the priority of Russia is only on the question of destructive nuclear capacity and space technology. On the other hand, if we limit ourselves to productive power, then, with or without Russia's statistical tables as against the Western estimates, it is still a fact that about eleven states of Northern U.S.A. is equal to all of Russia. The 1957 report that we referred to estimates that to be $350.1 billion as against $350 billion.

The point at issue, however, is not that of relations among technologically advanced countries, but that between advanced countries and the underdeveloped world. If even we take the long view -- a half century -- the gap between Asia (except Japan) and Africa had already created such a wide gulf that, when Russia and Japan shifted over to be industrialized countries, this shift hardly touched the world’s total population since, in population, the two countries accounted for only 0.3 billion of a total close to 2 billion. And that estimate (Simon Kuznets, Postwar Economic Growth, 1964 Cambridge) does not take into account either Latin America or Eastern Europe. If, then, we consider the entire range to which this question of relationship of developed lands to underdeveloped ones in the post WWII world, which, of course, includes these two countries among the developed ones, the situation has not at all improved. The full extent of the ever-widening, of the unbridgeable gulf, can be seen at
its starkest if we compare an undeveloped land in Asia that the "west" is most anxious to help as a bulwark against Chinese Communism, India, then the per-capita gross domestic product in the U.S. in 1958 was $3,325 as against only $67 for India, or a ratio of 49 to 1! There is no capitalist way to overcome such fantastic disparity.

The situation does not improve much if, in relating advanced to backward, we compare Russia and China. It is true that the collaboration in the first years was much more effective than any in the Western World and China certainly appeared, in comparison to India, to be vastly superior, in its rate of production. The fact, however, that China was not satisfied with the pace of industrialization and that the Sino-Soviet conflict emerged as a world challenge (with which we will deal in great detail later) can be measured statistically if we continue with our comparison of the underdeveloped countries with the American Colossus, China with its 700 million souls, California alone out produces that vast land; $84 billion as against 80 billion. While Africa -- East, West, North and even including rich apartheid South Africa -- produces only a little more than the State of Illinois; $50 billion to $68 billion. In a word, just as there is no solution along the private capitalistic path, so there is no way out along the path of state capitalism calling itself communism.

More significant than the sparring between the U.S. and Russia on whose statistical tables are more correct regarding Russia's share in world production is the seemingly unrelated discussion on what it calls State-Monopoly Capitalism, suddenly recognized by Communists as the dominant characteristic of "modern capitalism".
What has happened over since the holocaust of World War II is that
the destruction of capital where the countries were industrialized to begin
with, was that the wholesale destruction allowed for a new period of capita-
list expansion. Since, however, accumulation of capital is, at the same
time, its concentration and centralization. This expansion did not include
the underdeveloped countries but only the elite one-seventh of the world,
I.e., the industrialized countries. The industrialization of the under-
developed countries became only an impossible and unwanted task. Simultane-
ously with leaving the task unfulfilled, the technological revolutions
further increased the accumulated capital needed to keep automated production
going on an ever-expanding scale. Since, however, the immensity of this
accumulated capital employed, relatively, less and less living labor, the
most industrialized and most affluent capital, experienced a decline in the
rate of profit. Hence, the U.S., not only did not industrialize the un-
industrialized countries but proceeded to invest in Western Europe where
the rate of profit was higher, earning itself the name of "industrial belotry".
Should any one think that affluence applies to all sections of the "affluent
society", all one has to do is to read the Annual Report of the Council of
Economic Advisers. The 1964 report shows that no less than 34,10 billion
defined as poor. With the escalation of the Vietnam War and the growing
affluence, we still have 30 million classified as poor: some 3 million un-
employed if you take the "average". Today, if you look at the reality in
the black community, you find that there are no less than 15 and as high as
25% unemployed. This is during a period of so-great an expansion, so immense
a sweep of wealth that it is estimated that by the year's end, we will be
just 150 billion shy of the trillion dollar level. No wonder that "unparalleled"
prosperity
Prosperity" is accompanied not only by the revolt of the poor but by what is called a "strange spirit of malaise throughout the land". Judging by the restlessness in Eastern Europe, it is no different in the Communist world.

Prior to this sudden recognition of state capitalism (see World Marxist Review, December 1967 and January, 1968), state monopoly capitalism had been declared to be non-existent. Thus, when Varga in 1946 first posed the question in his Changes in the Political Economy of Capitalism resulting from the Second World War, the whole Institute of World Economics, which we headed, was brought into disrepute. In his book, Varga had contended that, since WW II had taught capitalism to plan, capitalism could avoid a major depression for at least a decade. Since such a state of equilibrium, would have, according to Stalin, inhibited the class struggles in the West, Varga was made to recant the theoretic prognostication as well. For Stalinistic Russia, this procedure was nothing unusual. What was unusual was that, instead of a frame-up trial, a public discussion was allowed at least to the theoreticians. As against the 1943 revision of the Marxian law of value, which was handed down from on high without any discussion. No doubt this was because those who in 1943 had questioned what the difference was between Russian labor conditions and those described by Marxian economic categories as applicable to England considered Russia itself a state capitalist, whereas the 1946 disputants did not question the so-called socialist character of Russia. One economist was even so bold as to criticize Varga not from the Establishment point of view: "The book lacks an analysis of the great new change connected with the transition from simple monopoly capitalism to state monopoly capitalism, as Lenin understood the transition", said Maria Natavo-Salit and proceeded to quote Lenin.
"During war, world capitalism took a step forward not only toward concentration in general, but also toward state capitalism even a greater degree than formerly." (Collected Works, Vol. XXX, p. 300, Russian Edition)

Maria Nataevna-Smit concluded: "Where Lenin unites the concept of 'state' and of monopoly, Comrade Varga seems to separate them; each exists by itself and meanwhile, in fact, the process of coalescence of the state with monopoly manifests itself quite sharply at the present time in such countries as the U.S.A. and England." (Stenographic transcript of discussion was published in English by Public Affairs Press, Washington, D.C.)

She was immediately pounced upon: "Imperialism is what Lenin elucidates. This is the stage of decay and death of capitalism beyond which no new phase of capitalism follows... I think one should agree with Comrade Varga who does not seek such a phrase and does not try to establish a transition to such a phase."

That closed the discussion. Today we are told the exact opposite with just as much authority and, as is usual, under totalitarianism, when 180 degrees is executed, it is done as if one were doing nothing but continuing the old position. No reference is made either to Varga or the Institute of World Economics, much less to Stalin. What reference is made to the unnamed sources who had not seen the new stage of capitalism is dismissed preposterously: "The effectiveness of state-monopolistic measures was almost entirely denied." (WAR, Dec., 1967, p.42) Moreover, this dismissal of the former position followed this statement: "Lenin established that this intertwining of monopoly and the state was a qualitatively new development."

Should anyone think, however, that they really are developing the concept of Lenin's on state capitalism, it would only be manifesting incredible naivete regarding the wholesale revision of Marxism in both Stalin's Russia and today. The sudden change in position on the question..."
of state capitalism relates only to nomenclature but, in substance, it is in the full tradition of Stalin's 1943 denuding the Marxian economic categories of their class content, only now they have extended the perverted versions of Marxian to include the question of science, science in general and technological revolution, i.e., automation, in particular. In place of Marx's attack on the "abstract materialists", i.e. the scientists for leaving out the historic process altogether, the Russian theoreticians embrace science with the very same disregard as they do for the "historical process", this is to say the inescapable class structure of scientific investigation. Where Stalin separated what Marx had united -- the class content of economic categories -- the present heirs of Stalin not only do the same on the question of science, but even extended to the human being: "To sum up, science is becoming an immediate productive force with general economic growth depending increasingly on its scale. . . otherwise it is impossible to explain why a worker in the U.S. earns more than a Polish worker."

Indeed:

In place of Marx's view of the unification of material conditions and the subjective capacities of "freely associated" labor as one opposing "the despotic plan of capital" in the factory, the communist theoreticians propose that under automated production, with science itself as a "productive force", the worker must continue to work harder to catch up with the "greater development of productive forces and higher productivity of labor in the U.S."

In a word, what is being discarded is neither Varga's nor Stalin's position. What is being discarded is Marx's world historic view of a new society based on expanding human forces, the all-round human individual, in a century when the so-called cultivated world thought only of defending material forces as the condition, activity and purpose of all liberation.
"... when the narrow bourgeois form has been peeled away, what is wealth, if not the universality of needs, capacities, enjoyments, productive powers, etc., of individuals, produced in universal exchange? What, if not the development of human control over the forces of nature - those of his own nature as well as those of so-called "nature"? What, if not the absolute elaboration of his creative dispositions, without any preconditions other than antecedent historical evolution which makes the totality of this evolution - i.e., the evolution of all human powers as such, unmeasured by any previously established yardstick - an end in itself? What is this, if not a situation where man does not reproduce himself in any determined form, but produces his totality? Where he does not seek to regain something formed by the past, but is in the absolute movement of becoming?" - - Karl Marx

*Grundrisse* (section translated under the title of *Pre-Capitalist Economic Formations*, Karl Marx, International Publishers, 1965)
THE "MISSING LINK" -- THE GRUNDISSE

The original form of Capital called Grundrisse der Kritik der Politischen Ökonomie, which had never been published in full until 1939-41, and has not been translated into any other language until this day, used to be considered the "missing link" in the knowledge of Marx's development, and therefore also in the inner identity between the economic and philosophic categories in Marxism. Herbert Marcuse chooses to single that out as the reason why none before me in Marxism and Freedom had fully developed that inner identity of economics and philosophy.

In truth, however, one section of the Grundrisse, the introduction, was published in 1903, and has been widely quoted ever since. It leaves no doubt whatever as to the philosophical connections in the "nature Marx", and yet it had made an impression on no one, from Kautsky who edited it, to Lenin, and from Rosa Luxemburg to Trotsky, or Plekhanov or Pannekoek. In a word, not a single Marxist revolutionary or what later became reformist, one "specializing" in philosophy or one "ultra-leftist" -- and all of them very loyal to Marx at the time -- had reorganized his own way of thinking or been able to view the objective situation dialectically as philosophy and not only as politics. So much for the period before World War I, and before the whole of the Grundrisse became known in its entirety. That is to say, once there was an objective development that did compel a philosophic reorganization, at least on Lenin's part, who still did not know the Grundrisse, nothing stood in the way of understanding dialectics. On the other hand, it wasn't only the outbreak of World War II that left the Grundrisse isolated all over again. The bourgeois writers who began talking of "oriental Despotism" in the late 1950's were more influenced by Mao's succession to power and fear of it than by any illumination they
might have gotten from Marx's phrase, which they moreover proudly perverted into its opposite.

The real starter, the real compulsion, the no-longer-escapable confrontation with the Grundrisse, especially the section on Pre-Capitalist Economic Formations, was the opening of the Third New World in the 1960's when the Communists found not a single category applicable to the new world, or more correctly, not a single of the old categories had anything but the most vulgarly political connotations. The first discussions listed by the Stalinists on the question is in Marxist Today, 1952, and Eric J. Hobsbawn, who introduced the English edition of Pre-Capitalist Economic Formations and who has quite an independent reputation as an historian, has the arrogance to this day, to make all sorts of side remarks against Hegel. Obviously, even this Hegelian-Marxian manuscript, is not going to stop Stalinists from subdividing Marx the economist, from Marx the philosopher, from Marx the Historian, as if all that was of importance in this book is a piece of chronology.

Finally, in this preliminary to the Grundrisse there is one section on machinery that has been missed by Marcuse, not, it is true, with malicious aforethought as do the Stalinists, but nevertheless with narrowed vision, as academicians, even when they're Marxists, do and as Marcuse specifically did in One Dimensional Man.

Now then, what is the Grundrisse as a whole, and what are its quintessentials for our era? Briefly, the Grundrisse consists of three parts: Part I - Introduction. This is published as the Appendix to Critique of Political Economy. It is the first statement, along with what appears in the Preface, of historical materialism. However, neither in the Preface, nor in the introduction (nor for that matter anywhere else) does Marx use the expression "historical Materialism"; Engels created the expression.
Marx was quite satisfied with just talking about "material production", with all the emphasis on history as the key word to all development, and all dialectics and all men's multitudinous talents, climax in the concept that individualization does not proceed society but arises through history "after", so to speak, society, "collectivization," (communal form) had developed. And "economics" is not referred to except as economic structure, which in turn involves the totality of relations, the conditions of production, with a distinction made between material transformation and philosophic ones.

II - consists of the Chapter: Money. This was the chapter that was published as one of the two chapters of Critique of Political Economy, was further and fully developed in Capital, and, while the language is much more Hegelian in the draft as it appears in Grundrisse, there is, on the whole, not much now.

III - Capital in General is the largest part, contains no less than 600 pages and contains the two critical sections applicable to our era:
Pre-Capitalist Formations and Machinery, with the Pre-Capitalist Formations crucial for the relations to what we now call underdeveloped countries, and Machinery critical to an understanding of Automation.

Pre-Capitalist Economic Formations should be supplements in two ways:
(1) the articles in the New York Daily Tribune, reprinted in The American Journal of Marx and Engels (New American Library), or the writings of the 1830's. (2) the writings of the 1870's through 1882 which, on the one hand, include Volume II and III of Capital, especially the latter; and on the other hand, the letter to Vera Zasulich and the 1882 introduction to the Russian edition of the Communist Manifesto which excitingly answers the
question whether it's possible for Russia (the Russia of 1882 mind you!) to "skip" capitalism, as follows:

"The only answer to that possible today is this: If the Russian Revolution becomes the signal for a proletarian revolution in the West, as that both complement each other, the present Russian common ownership of land may serve as the starting point for a communist development." (Karl Marx, Selected Works, Vol. I p.192.

No single section of Marx's writing has ever been more misrepresented than the one which concerns "the Asiatic Mode of Production".

Far from being merely backward, Marx is tracing the "archaic" modes of production, not as a matter of studying history as chronology, but as studying the historic process of dissolution of other economic formations and to see how the individual as a worker was stripped of all qualities except work. His answer always is: let us look at history and see. Thus the study of the Oriental Commune, which he calls "the natural unity of labor with its material prerequisites" shows:

"The spontaneously evolved tribal community, or, if you will, the herd — the common tie of blood, language, custom, etc. — is the first precondition of the appropriation of the objective material conditions of life, and of the activity which reproduces and gives material expression to, or objectifies the proceedings and gives material expression to, or objectifies (vorgunstausfliebers) the activity as herdsmen, hunters, agriculturalists, etc. The earth is the great laboratory, the arsenal which provides both the means and the materials of labour, and also the location, the basis of the community." (pp. 68-69)

There is no difference between tribal and oriental. The despots appear later when as against the development from the tribal to slavery (Greek-Roman civilization) and then to feudalism (Germanic) the Asiatic remains inervable, the state itself becomes "the supreme landlord", the centralization, the state form of responsibility for the irrigation works, the impossibility for individual breakaways, as was possible under the unique Germanic form, becomes dominant because also of the self-sustained communal form of production.
"The Asiatic form necessarily survives longest and most stubbornly. This is due to the fundamental principle on which it is based, that is, that the individual does not become independent of the community; that the circle of production is self-sustaining, unity of agriculture and draft manufacture, etc. If the individual changes his relation to the community, he modifies and undermines, both the community and its economic premise; conversely, the modification of this economic premise -- produced by its own dialectic superposition, etc. Note especially the influence of warfare and conquest." (p. 83)

He had already stressed that "Asian history is a kind of undifferentiated unity of town and country (the large city, properly speaking, must be regarded merely as a princely camp, superimposed on the real economic structure)..." (p. 77) Ever since 1853 Marx had posed to himself the question of the oriental phenomenon as follows: "The question is, can mankind fulfill its destiny without a fundamental revolution in the social state in Asia?" In the Communist Manifesto he was full of praise of the bourgeois revolution for having broken down "the Chinese walls of barbarism". In the 1850's, however, he was moving toward such detestation of capitalism, even in its "economic revolutions" and an appreciation of Chinese resistance to Western capitalistic encroachment, that he contrasted China as superior to India that suffered the British victory.

The two most significant references to China in the articles in the New York Daily Tribune are:

"The chronic rebellions subsisting in China for about ten years past, and now gathered together in one formidable revolution...Do these order-mongering powers (England, France and America) which would attempt to support the waverimg Manchu dynasty, forget that the hatred against foreigners...had become a political system only since the conquest of the country by the race of the Manchu Tartars?" (June 14, 1853)

"That a giant empire, containing almost one-third of the human race, vegetating to the teeth of time, insulated by the forced exclusion of general intercourse, and thus contriving to dupe itself with delusions of celestial perfection--that such an empire should at
Last be taken over by fate...this, indeed, is a sort of tragic couplet stranger than any poet would ever have dared to fancy." (April 7, 1857)

George Lichtheim, who is one of the few who did appreciate the tremendous contribution to theory that even in these unfinished manuscripts Marx had produced on oriental society, still thinks, however, that some of the journalistic articles on the question were allegedly only for journalistic effect, whereas, "in fact," Marx had a low view of Chinese society. He fails to explain why Marx went out of his way "to drag in" a reference to the Taiping rebellion, into Capital itself in the very section that had nothing to do with China. It is characteristic of the undialectical English translation of Capital that Marx for some unexplained reason that footnote does not appear. Here is what it is, translated from the Russian, and in reading it, please remember that it appeared in the yet-to-be-appreciated, celebrated, historic chapter on Fetishism of Commodities. (China refers to the Taiping Revolt, and "tables" refers to a poster-postime popular at that time in England):

"One will remember how China, China and the tables began to dance when the rest of the world appeared to stand still pour encourager les autres."

Far from looking down upon Chinese society, Marx here is stressing that the Taiping Revolt was in advance of the situation in Europe in the 1850's, following the defeated 1848 revolutions. This is why he gives the Chinese credit not only for the revolt against their own ruling class, but "in order to encourage" others, that is to say, the proletariat of Europe. Finally, Marx considered the Slavonic form of the village commune a sort of sub-variety of the oriental form, and he had a great deal more criticism of Russia than of China. Which doesn't mean that, both strictly theoretically and as a revolutionary humanist, he ever took his eyes off of the actual historic development of the masses that would allow them to shorten the birthpangs of the new society.
(Incidentally, it is important also to remember that his study
and communism on pre-capitalist formations — oriental, Greek-Roman,
and Germanic as uniquely West-European — began after the publication
of Volume I of Capital.)

Now then, the final section that assumes a new urgency for our
period on Machinery, which he called Automation and we call Automation, is
actually fully and more all-sidedly developed in Capital, Volume I. Moreover,
along with the Working Day it is almost entirely new as compared to the
abbreviated form it appears in the Grundrisse. And it contains his new
concept of theory as not being a discussion with theoreticians, and as
arising from practice. Thus, he stresses in his letters to Engels that
he has revised the section in the Grundrisse and is rewriting it entirely;
that he has decided furthermore, that, to really understand it, he must himself
practice it and is therefore enrolled in a course in machinery. (He
was constantly annoyed with how quickly he could understand the theory of
the machine, and how much "dumber" than any worker in operating one.)

Finally, the opposite to machinery, the human power as its own end, was
developed by him at the end of this section. It would seem, therefore,
that there wasn't much to learn from a rereading of the first draft.

Why, then, does Marx choose to quote from it as if (1) no one
who doesn't know that section can possibly understand either Marx on the
question, or (2) what is more important to him, the realities of the day, pro-
duced by Automation and the one-dimensional man? Here lies the limitation
of the intellectual, though he be Marxist, who is isolated from the pro-
letariat. The irony is that it isn't only the proletariat that thereby gets
degraded, and not only the intellectual, but philosophy too. The original
title of One Dimensional Man, when it was delivered as a series of lectures

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in France, at the end of the 1950's, was (as reported in Argument) from
Ontology to Technology. In a word, KM Marx is saying that technology
has overwhelmed thinking, thereby denying the very soul of the dialectic,
of development through contradiction, that the more abysmal the degradation
the more intense is the quest for universality. Not so incidentally, Marx
in his Introduction to the Grundrisse stresses that "political economy
is not technology". Since the specific section has been published in New A
Ending Letters, December 1967 I will not proceed further with it at this
time.

There is no better way to sum up the Grundrisse, and not only the
Grundrisse but the whole of the Marxian theory of liberation as well as
what happens the day after revolution than with his own statement we have
used as the frontispiece, that "man does not reproduce himself in any deter-
mined form, but produces his totality... does not seek to remain something
formed by the past, but is in the absolute movement of becoming?"

Raya Dunayevskaya
Detroit, Mich.
March 20, 1968

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