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The decadence of capitalism (v): The mortal contradictions of bourgeois society

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The Italian left communist Bordiga once described Marx's entire work as "*the necrology of capital*" - in other words, as a study of the inner contradictions from which bourgeois society could not escape and which would eventually lead to its demise.

Acknowledging the certainty of death is problematic for the human being in general - alone among the animal species, mankind is burdened with the consciousness of the inevitability of death, and the weight of this burden is demonstrated, among other things, by the ubiquity of mythologies about the afterlife in all epochs of history and in all social formations.

By the same token, ruling, exploiting classes and their individual representatives are apt to

flee from death into consoling fantasies about the eternal foundations and destiny of their reign. The class regime of pharaohs and divine emperors is thus legitimised by the sacred stories from the primordial beginning to the unforeseeable future.

The bourgeoisie, despite priding itself on its rational and scientific outlook, is no less prone to mythological projections: as Marx observed, this can easily be discerned in its attitude to past history, into which it projects its "*Robinsonades*" about private property being at the very foundation of human existence. And it is not more inclined than the despots of ancient times to envisage the end of its system of exploitation. Even in its revolutionary heyday, even in the thought of the philosopher of dialectical movement par excellence, Hegel, we find the same tendency to proclaim that the rule of bourgeois society marks the "end of history": Marx remarked that, for Hegel, the restless advance of the World Spirit had finally achieved peace and repose in the shape of the bureaucratic Prussian state (which was still largely stuck in the feudal past anyway).

We thus take it as a basic axiom of the ideologically distorted world view of the bourgeoisie that it cannot tolerate any theory which points to the purely transitory nature of its class rule. Whereas marxism, which expresses the theoretical standpoint of the first exploited class in history to carry within it the seeds of a new social order, has no such blockages to its vision.

Thus the *Communist Manifesto* of 1848 opens with the famous passage about history being the history of class struggles, which had in all hitherto existing modes of production served to explode the social fabric from within, ending "*either in a revolutionary reconstitution of society at large, or in the common ruin of the contending classes...*" Bourgeois society has simplified class contrasts to the point where they are to all intents and purposes reduced to two great social camps defending irreconcilably antagonistic interests - capitalist on the one hand, proletarian on the other. And the proletariat is destined to be the *gravedigger* of the bourgeois order.

But the *Manifesto* did not expect this decisive clash between the classes to arise merely as a result of capitalism's simplification of class differences or of the evident injustice of the bourgeoisie's monopoly of privilege and wealth. It was first necessary for the bourgeois system to be unable to function "normally", to have reached the point where "*the bourgeoisie is unfit any longer to be the ruling class in society, and to impose its conditions of existence upon society as an over-riding law. It is unfit to rule because it is incompetent to assure an existence to its slave within his slavery, because it cannot help letting him sink into such a state, that it has to feed him, instead of being fed by him. Society can no longer live under this bourgeoisie, in other words, its existence is no longer compatible with society*". In sum, the overthrow of bourgeois society becomes a vital necessity for the very survival of the exploited class and of social life as a whole.

The *Manifesto* saw in the economic crises which periodically wracked capitalist society in

that era as harbingers of this approaching point:

"In these crises, there breaks out an epidemic that, in all earlier epochs, would have seemed an absurdity - the epidemic of over-production. Society suddenly finds itself put back into a state of momentary barbarism; it appears as if a famine, a universal war of devastation, had cut off the supply of every means of subsistence; industry and commerce seem to be destroyed; and why? Because there is too much civilisation, too much means of subsistence, too much industry, too much commerce. The productive forces at the disposal of society no longer tend to further the development of the conditions of bourgeois property; on the contrary, they have become too powerful for these conditions, by which they are fettered, and so soon as they overcome these fetters, they bring disorder into the whole of bourgeois society, endanger the existence of bourgeois property. The conditions of bourgeois society are too narrow to comprise the wealth created by them. And how does the bourgeoisie get over these crises? On the one hand by enforced destruction of a mass of productive forces; on the other, by the conquest of new markets, and by the more thorough exploitation of the old ones. That is to say, by paving the way for more extensive and more destructive crises, and by diminishing the means whereby crises are prevented".

Several points need to be made about this oft-quoted passage.

It maintains that the economic crises are a result of the **overproduction of commodities**, as the enormous productive powers unleashed by capitalism come up against the limits of their capitalist appropriation and distribution. As Marx explained later, this was not overproduction in relation to need. On the contrary, it resulted from the fact that the needs of the vast majority were necessarily restricted by the existence of antagonistic relations of production. This was overproduction in relation to effective demand - demand backed by the ability to pay.

It considers that capitalist relations of production have **already** become a definitive fetter on the development of these productive forces, a straitjacket which is holding them in check

At the same time capitalism has at its disposal various mechanisms for overcoming these crises: on the one hand the destruction of capital, by which Marx principally meant not the physical destruction of unprofitable factories and machines but their destruction **as value** because the crisis forced them to stand idle. This, as Marx was to explain in later works, both uncluttered the market of dead-wood competitors and had a "beneficial" effect on the average rate of profit; on the other hand, *"the conquest of new markets, and by the more thorough exploitation of the old ones"*, allowing a temporary escape from the engorgement of the market in those areas already conquered by capitalism.

These very mechanisms of escape actually only paved the way for **increasingly destructive** crises and tended to cancel themselves out as means of overcoming the crisis. In short,

capitalism was necessarily heading towards a historical impasse.

The *Manifesto* was written on the very eve of the great wave of uprisings that swept across Europe in the year of 1848. But although these uprisings had very material roots - in particular, an outbreak of famine in a whole series of countries - and although they saw the first massive expressions of proletarian political autonomy (the Chartist movement in Britain, the July uprisings of the Parisian working class), these were essentially the last fires of the bourgeois revolution against feudal absolutism. In his efforts to understand the failure of these uprisings from the proletarian point of view - even the bourgeois goals of the revolution had rarely been achieved and the French bourgeoisie had not hesitated in crushing the insurgent Parisian workers - Marx began to recognise that the prediction of imminent proletarian revolution had been premature. Not only was the working class knocked backwards politically by the defeat of the 1848 uprisings, but capitalism was very far from having exhausted its historic mission as it spread imperiously around the globe, continuing to "create a world in its own image" as the *Manifesto* had put it. The dynamism of the bourgeoisie, as the *Manifesto* had itself acknowledged, was still very much a reality. Against the impatient activists of his own "party", who thought that mere will could stir the masses into action, he insisted that the working class probably faced decades of struggle before it could expect a decisive conflict with the class enemy. He also argued forcefully that "a new revolution is possible only in consequence of a new crisis".^[1]

Marx responds to the apologists

It was this conviction that led Marx to devote himself to the study - or rather, the critique of - political economy, a profound and immensely detailed inquiry that was to find written form in the *Grundrisse* and the four volumes of *Capital*. In order to understand the material conditions for the proletarian revolution, it was necessary to understand in greater depth the contradictions inherent in the capitalist mode of production, the fatal flaws that would eventually condemn it to death.

In these works, Marx acknowledged his debt to the bourgeois political economists like Adam Smith and Ricardo who had contributed a great deal to the understanding of the bourgeois economic system, not least because, in their polemics with the apologists of outmoded, semi-feudal forms of production, they had defended the view that the "value" of commodities was not some inherent quality of the soil or a figure determined by the vagaries of supply and demand, but was based on the real labour of human beings. But Marx also showed that these polemicists of the bourgeoisie were also apologists, to the extent that their writings:

- reflected the "common sense" view of bourgeois ideology, which while condemning previous modes of production like slavery and feudalism as systems of class privilege, denied that capitalism was in turn founded on the exploitation of labour, since for them the basic transaction at the heart of capitalist production was a fair exchange between the worker's capacity to work and the wages offered to him by the

capitalist. Marx however showed that, just as previous modes of production had been founded on the extraction of surplus labour by an exploiting class, so too was capitalism - only this took the form of the extraction of surplus **value**, the "free" labour time extorted from the worker but hidden in the wage contract;

- tended to argue that capitalism, despite the problem of periodic economic crises, had no immanent barriers to its development and therefore would never reach the point where it would need to be superseded by a higher form of society. If there were crises, they were due to the action of speculators, or to temporary disproportions between different branches of industry, or to some other contingent factor; and since every product was eventually destined to find its buyer, eventually the very operation of the market would overcome these problems and provide the basis for further phases of growth.

What is fundamental to all the varieties of bourgeois political economy is the denial that the crises of capitalism are proof that there exist fundamental and ineradicable contradictions of the capitalist mode of production - ravens of doom whose harsh croak prophesies the Ragnarok[2] of bourgeois society.

*"The apologetic phrases used to deny crises are important in so far as they always prove the opposite of what they are meant to prove. In order to deny crises, they assert unity where there is conflict and contradiction. They are therefore important in so far as one can say they prove that there would be no crises if the contradictions which they have erased in their imagination, did not exist in fact. But in reality crises exist because these contradictions exist. Every reason which they put forward against crisis is an exorcised contradiction, and, therefore, a real contradiction, which can cause crises. The desire to convince oneself of the non-existence of contradictions, is at the same time the expression of a pious wish that the contradictions, which are really present, **should not exist.**"*[3]

First raven of doom: "Overproduction, the fundamental contradiction of advanced capital...."

The apology for capital by the political economists is to a large extent rooted in the denial that the crises of overproduction, which began to make their appearance in the second or third decade of the 19th century, indicated the existence of any insurmountable barriers to the bourgeois mode of production.

Faced with the concrete reality of the crisis, the apologists' denials took various forms, most of which we have seen repeated by the economic experts of the past few decades. Marx points out, for example, that Ricardo sought to explain the first crises of the world market through various contingent factors, such as poor harvests, the devaluation of paper money, falling prices, or the difficulties of transition between peace and war and war and peace in the early years of the 19th century. Obviously these factors could play their role in exacerbating or even provoking the outbreak of crises, but they hardly penetrated to the heart of the problem. These evasions remind us of the more recent pronouncements by the

economic "experts", locating the "cause" of the crisis in the rise in oil prices in the 70s or the greed of the bankers today. When, towards the middle of the 19th century, the cycle of commercial crises became harder to ignore, the political economists were obliged to develop more sophisticated arguments, for example accepting the idea that there is too much capital while denying that this also means that there are too many unsaleable commodities.

Or, if the problem of overproduction was accepted, it was relativised. At root, for the apologists, *"no man produces, but with a view to consume or sell, and he never sells, but with an intention to purchase some other commodity, which may be immediately useful to him, or which may contribute to future production"*.^[4] In other words, there is a basic harmony between production and sale and, at least in the best of all possible worlds, every commodity should find a buyer. If there are crises, they are no more than possibilities contained in the metamorphosis of commodities into money, as John Stuart Mill argued, or are the result of a simple **disproportionality** between one sector of production and another.

Marx certainly does not deny that there can be disproportions between the different branches of production - indeed he insists that this always be a tendency in an unplanned economy where it is impossible to produce all commodities in relation to an immediate demand. What he objects to is the attempt to use the "disproportionality" problem as a pretext for wishing away the more fundamental contradictions involved in the capitalist social relationship:

"To say that there is no general over-production, but rather a disproportion within the various branches of production, is no more than to say that under capitalist production the proportionality of the individual branches of production springs as a continual process from disproportionality, because the cohesion of the aggregate production imposes itself as a blind law upon the agents of production, and not as a law which, being understood and hence controlled by their common mind, brings the productive process under their joint control."^[5]

By the same token, Marx rejects the argument that there can be partial overproduction but no general overproduction:

"That is why Ricardo admits that a glut of certain commodities is possible. What is supposed to be impossible is only a simultaneous general glut of the market. The possibility of overproduction in any particular sphere of production is therefore not denied. It is the simultaneity of this phenomenon for all spheres of production which is said to be impossible and therefore makes impossible [general] over-production and thus a general glut of the market." ^[6]

The historical specificity of capitalism

What all these arguments had in common was that they denied the historical specificity of

the capitalist mode of production. Capitalism is the first economic form to have generalised commodity production, production for sale and profit, to the entire process of production and distribution; and its tendency towards overproduction was to be found in this distinction. Not, Marx is at pains to point out, overproduction in relation to need:

*"The word **over-production** in itself leads to error. So long as the most urgent needs of a large part of society are not satisfied, or only the most immediate needs are satisfied, there can of course be absolutely no talk of an **over-production of products**- in the sense that the amount of products is excessive in relation to the need for them. On the contrary, it must be said that on the basis of capitalist production, there is constant **under-production** in this sense. The limits to production are set by the profit of the capitalist and in no way by the needs of the producers. But over-production of products and over-production of **commodities** are two entirely different things. If Ricardo thinks that the **commodity form** makes no difference to the product, and furthermore, that **commodity circulation** differs only formally from barter, that in this context the exchange-value is only a fleeting form of the exchange of things, and that money is therefore merely a formal means of circulation-then this in fact is in line with his presupposition that the bourgeois mode of production is the absolute mode of production, hence it is a mode of production without any definite specific characteristics, its distinctive traits are merely formal. He cannot therefore admit that the bourgeois mode of production contains within itself a barrier to the free development of the productive forces, a barrier which comes to the surface in crises and, in particular, in **over-production**-the basic phenomenon in crises."*[7]

Marx then contrasts capitalist production with previous modes of production, which did not seek to accumulate wealth, but to consume it, and which were faced with a problem of underproduction rather than overproduction:

*"...the ancients never thought of transforming the surplus-product into capital. Or at least only to a very limited extent. (The fact that the hoarding of treasure in the narrow sense was widespread among them shows how much surplus-product lay completely idle.) They used a large part of the surplus-product for unproductive expenditure on art, religious works and public works. Still less was their production directed to the release and development of the material productive forces-division of labour, machinery, the application of the powers of nature and science to private production. In fact, by and large, they never went beyond handicraft labour. The wealth which they produced for private consumption was therefore relatively small and only appears great because it was amassed in the hands of a few persons, who, incidentally, did not know what to do with it. Although, therefore, there was no **over-production** among the ancients, there was **over-consumption** by the rich, which in the final periods of Rome and Greece turned into mad extravagance. The few trading peoples among them lived partly at the expense of all these essentially poor nations. It is the unconditional development of the productive forces and therefore mass production on the basis of a mass of producers who are confined within the bounds of the necessary means of subsistence on the one hand and, on the other, the barrier set up by the*

capitalists' profit, which [forms] the basis of modern over-production."[8]

The problem with the political economists is that they think about capitalism as if it were already a harmonious social system - a kind of socialism in which production is fundamentally determined by need:

*"All the objections which Ricardo and others raise against overproduction etc. rest on the fact that they regard bourgeois production either as a mode of production in which no distinction exists between purchase and sale-direct barter-or as **social** production, implying that society, as if according to a plan, distributes its means of production and productive forces in the degree and measure which is required for the fulfilment of the various social needs, so that each sphere of production receives the **quota** of social capital required to satisfy the corresponding need. This fiction arises entirely from the inability to grasp the specific form of bourgeois production and this inability in turn arises from the obsession that bourgeois production is production as such, just like a man who believes in a particular religion and sees it as the religion, and everything outside of it only as **false religions**."*[9]

The roots of overproduction lie in capitalist social relations

Against these distortions, Marx located the crises of overproduction in the very social relation that defined capital as a distinct mode of production: the wage labour relation.

*"By reducing these relations simply to those of consumer and producer, one leaves out of account that the wage-labourer who produces and the capitalist who produces are two producers of a completely different kind, quite apart from the fact that some consumers do not produce at all. Once again, a **contradiction** is denied, by abstracting from a contradiction which really exists in production. The mere relationship of wage-labourer and capitalist implies:*

- 1. that the majority of the producers (the workers) are non-consumers (non-buyers) of a very large part of their product, namely, of the means of production and the raw material;*
- 2. that the majority of the producers, the workers, can consume an equivalent for their product only so long as they produce more than this equivalent, that is, so long as they produce surplus-value or surplus-product. **They must always be over-producers, produce over and above their needs, in order to be able to be consumers or buyers within the limits of their needs.**"*[10]

Of course, capitalism does not start every phase of the accumulation process with an immediate problem of overproduction: it is born and it develops as a dynamic system in constant expansion into new areas of productive exchange, both within the domestic economy and on a world scale. But given the unavoidable nature of the contradiction that Marx has just described, this constant expansion is a **necessity** for capital in order to

postpone or overcome the crisis of overproduction, and here again Marx had to assert this against the apologists who saw the expansion of the market more as a convenience than a life or death question, given their tendency to see capital as a self-contained and harmonious system:

"However, the mere admission that the market must expand with production, is, on the other hand, again an admission of the possibility of over-production, for the market is limited externally in the geographical sense, the internal market is limited as compared with a market that is both internal and external, the latter in turn is limited as compared with the world market, which however is, in turn, limited at each moment of time, [though] in itself capable of expansion. The admission that the market must expand if there is to be no over-production, is therefore also an admission that there can be over-production."[11]

In the same passage, Marx goes on to show that while the expansion of the world market allows capitalism to overcome its crises and to further expand the productive forces, the previous expansion of the market rapidly becomes inadequate for absorbing the new development of production. He did not consider that this was an eternal process: there are inherent limits to the capacity of capital to become a truly universal system, and once it has encountered these limits, they will push capitalism towards the abyss:

*"But from the fact that capital posits every such limit as a barrier and hence gets **ideally** beyond it, it does not by any means follow that it has **really** overcome it, and, since every such barrier contradicts its character, its production moves in contradictions which are constantly overcome but just as constantly posited. Furthermore. The universality towards which it irresistibly strives encounters barriers in its own nature, which will, at a certain stage of its development, allow it to be recognised as being itself the greatest barrier to this tendency, and hence will drive towards its own suspension."*[12]

And thus we come to the conclusion that the crisis of overproduction is the first raven of doom for capitalism, a concrete illustration, within capitalism, of Marx's basic formula explaining the rise and decline of all hitherto existing modes of production: yesterday's forms of development (in this case, the global expansion of commodity production) becomes today's fetter on the further development of mankind's productive powers:

*"To approach the matter more closely: First of all, there is a **limit, not inherent to production generally, but to production founded on capital**. This limit is double, or rather the same regarded from two directions. It is enough here to demonstrate that capital contains a **particular** restriction of production - which contradicts its general tendency to drive beyond every barrier to production - in order to have uncovered the foundation of **overproduction**, the fundamental contradiction of developed capital; in order to have uncovered, more generally, the fact that capital is not, as the economists believe, the **absolute** form for the development of the forces of production - not the absolute form for that, nor the form of wealth which absolutely coincides with the development of the forces*

of production. The stages of production which precede capital appear, regarded from its standpoint, as so many fetters upon the productive forces. It itself, however, correctly understood, appears as the condition of the development of the forces of production as long as they require an external spur, which appears at the same time as their bridle. It is a discipline over them, which becomes superfluous and burdensome at a certain level of their development, just like the guilds etc."[13]

Second raven of doom: the falling rate of profit

A further critique that Marx makes of the political economists is their incoherence in denying the overproduction of commodities while admitting the overproduction of capital:

*"To the best of his knowledge, Ricardo is always consistent. For him, therefore, the statement that no **over-production** (of commodities) is possible, is synonymous with the statement that no plethora or over-abundance of capital is possible...What then would Ricardo have said to the stupidity of his successors, who deny over-production in one form (as a general glut of commodities in the market) and who, not only admit its existence in another form, as over-production of capital, plethora of capital, over-abundance of capital, but actually turn it into an essential point in their doctrine?"*[14]

However, Marx, especially in the third volume of *Capital*, shows that there is no comfort to be drawn from the assertion that there is a tendency for capital, above all in its form as means of production, to become "overabundant". This is because such overabundance merely brings forth another deadly contradiction, the tendency for the rate of profit to fall, which Marx refers to as being "in every respect the most important law of modern political economy, and the most essential for understanding the most difficult relations." [15] This contradiction is no less inscribed in the basic social relation of capitalism: since only living labour can add new value and this is the "secret" of capitalist profit; and since at the same time the capitalists are driven by the whip of competition to constantly "revolutionise the means of production", i.e. increase the ratio between dead labour of machines and the living labour of human beings, it is faced with an inbuilt tendency for the proportion of new value contained in each commodity to shrink, and thus for the rate of profit to decline.

Again, bourgeois apologists fled in terror from the implications of all this, since the law of the falling rate of profit also points to the transitory nature of capital:

"On the other hand, the rate of self-expansion of the total capital, or the rate of profit, being the goad of capitalist production (just as self-expansion of capital is its only purpose), its fall checks the formation of new independent capitals and thus appears as a threat to the development of the capitalist production process. It breeds over-production, speculation, crises, and surplus-capital alongside surplus-population. Those economists, therefore, who, like Ricardo, regard the capitalist mode of production as absolute, feel at this point that it creates a barrier itself, and for this reason attribute the barrier to Nature (in the theory of rent), not to production. But the main thing about their horror of the

falling rate of profit is the feeling that capitalist production meets in the development of its productive forces a barrier which has nothing to do with the production of wealth as such; and this peculiar barrier testifies to the limitations and to the merely historical, transitory character of the capitalist mode of production; testifies that for the production of wealth, it is not an absolute mode, moreover, that at a certain stage it rather conflicts with its further development".[16]

And here, in the *Grundrisse*, Marx's reflections on the falling rate of profit bring out perhaps his most explicit announcement of the perspective that capitalism, like previous forms of servitude, cannot avoid entering an era of obsolescence or senility, in which a growing tendency towards self-destruction will confront humanity with the necessity to advance towards a higher form of social life:

"...hence it is evident that the material productive power already present, already worked out, existing in the form of fixed capital, together with the population etc., in short all conditions of wealth, that the greatest conditions for the reproduction of wealth, i.e. the abundant development of the social individual—that the development of the productive forces brought about by the historical development of capital itself, when it reaches a certain point, suspends the self-realization of capital, instead of positing it. Beyond a certain point, the development of the powers of production becomes a barrier for capital; hence the capital relation a barrier for the development of the productive powers of labour. When it has reached this point, capital, i.e. wage labour, enters into the same relation towards the development of social wealth and of the forces of production as the guild system, serfdom, slavery, and is necessarily stripped off as a fetter. The last form of servitude assumed by human activity, that of wage labour on one side, capital on the other, is thereby cast off like a skin, and this casting-off itself is the result of the mode of production corresponding to capital; the material and mental conditions of the negation of wage labour and of capital, themselves already the negation of earlier forms of unfree social production, are themselves results of its production process. The growing incompatibility between the productive development of society and its hitherto existing relations of production expresses itself in bitter contradictions, crises, spasms. The violent destruction of capital not by relations external to it, but rather as a condition of its self-preservation, is the most striking form in which advice is given it to be gone and to give room to a higher state of social production." [17]

The vicious circle of capitalist contradictions

Certainly Marx was peering into the future in passages such as the above: he recognised that there are counter-tendencies which make the fall in the rate of the profit a long-term rather than an immediate barrier for capitalist production. These include: increasing the intensity of exploitation; depression of wages below the value of labour power; cheapening of elements of constant capital, and foreign trade. Marx's treatment of the latter in particular shows how the two contradictions at the heart of the system are closely linked. Foreign trade partly implies investing (as we see today in the phenomenon of

"outsourcing") in cheaper sources of labour power and through selling home-produced goods *"above their value even though cheaper than the competing countries."*[18] But the same section also touches on the *"the innate necessity of this mode of production, its need for an ever-expanding market."*[19] This is also connected to the attempt to offset the fall in the rate of profit, since even if each commodity embodies less profit, as long as the capitalist can sell more commodities, then he is able to realise a greater mass of profit. But here again capitalism again comes up against its inherent limits:

"This same foreign trade develops the capitalist mode of production in the home country, which implies the decrease of variable capital in relation to constant, and, on the other hand, causes over-production in respect to foreign markets, so that in the long run it again has an opposite effect."[20]

Or again:

"Compensation of a fall in the rate of profit by a rise in the mass of profit applies only to the total social capital and to the big, firmly placed capitalists. The new additional capital operating independently does not enjoy any such compensating conditions. It must still win them, and so it is that a fall in the rate of profit calls forth a competitive struggle among capitalists, not vice versa. To be sure, the competitive struggle is accompanied by a temporary rise in wages and a resultant further temporary fall of the rate of profit. The same occurs when there is an over-production of commodities, when markets are overstocked. Since the aim of capital is not to minister to certain wants, but to produce profit, and since it accomplishes this purpose by methods which adapt the mass of production to the scale of production, not vice versa, a rift must continually ensue between the limited dimensions of consumption under capitalism and a production which forever tends to exceed this immanent barrier. Furthermore, capital consists of commodities, and therefore over-production of capital implies over-production of commodities."[21]

In seeking to escape from one contradiction, capitalism merely came up against the barriers imposed by another. Thus Marx saw the inevitability of *"bitter contradictions, crises, spasms"*, *"the more extensive and more destructive crises"* which he had already talked about in the *Manifesto*. Marx's deep immersion in his studies of capitalist political economy had confirmed his view that capitalism would reach a point at which it had exhausted its progressive mission and begun to threaten the very capacity of human society to reproduce itself. Marx did not speculate about the exact form this downfall would take. He had not yet seen the emergence of world imperialist wars which, while seeking to "solve" the economic crisis for particular capitals, tend to become increasingly ruinous for capital as a whole and an increasing menace to the survival of humanity. By the same token, he had only glimpsed capitalism's propensity to destroy the natural environment upon which all social reproduction is ultimately based. He did, on the other hand, pose the question of capitalism reaching the end of its epoch of ascent in more concrete terms: as we have noted in a previous article in this series, already in 1858 Marx considered that the opening up of

far-flung areas such as China, Australia and California indicated that capitalism's task of creating a world market and production based on that market was reaching completion; by 1881 he was talking about capitalism in the advanced countries being transformed into a "regressive" system, although in both cases he saw that capitalism still had some way to go (above all in the more peripheral regions) before it had ceased to be a globally ascendant system.

Marx had initially conceived his studies of capital as part of a greater work which would encompass other key areas for research such as the state and the history of socialist thought. In the event, his life was too short even to complete the "economic" part, so that *Capital* remains an unfinished masterpiece. And besides, to pretend to elaborate a definitive and final theory of capitalist evolution would have been alien to the basic premises of Marx's method, which saw history as an unending movement, and the dialectical "Cunning of Reason" as necessarily full of surprises. Consequently, in the sphere of economics, Marx did not provide a definitive answer as to which of the two ravens of doom (the problem of the market or the problem of the falling rate of profit) would play the more decisive role in the onset of the crises that would ultimately drive the proletariat to revolt against the system. But one thing was certainly clear: both the overproduction of commodities and the overproduction of capital provide proof that humanity has at last reached a stage in which it has become possible to provide the necessities of life for all and thus to create the material basis for the elimination of all class divisions. Whether people starve while commodities go unsold in warehouses, or whether factories that produce life's necessities close because there is no profit to be made from producing them, the gap between the vast potential stored in the productive forces, and their constriction by the envelope of value, provides the foundations for the emergence of a communist consciousness among those who are most directly faced with the consequences of capitalism's absurdities.

Gerrard, 1/11/09.

[1]. *The Class Struggles in France*.

[2]. Ragnarok -in Norse mythology, the Downfall of the Gods, the final battle of the gods and giants.

[3]. *Theories of Surplus Value*, Part Two, chapter XVII, 12, p 519.

[4]. Ricardo, quoted in *Theories of Surplus Value*, Part Two, chapter XVII, 8 p 502.

[5]. *Capital* Vol. 3, chapter XV, III, p 257.

[6]. *Theories of Surplus Value*, Part Two, chapter XVII, 14, p 529.

[7]. *Theories of Surplus Value*, Part Two, chapter XVII, 14, p 527.

[8]. Ibid. p528.

[9]. Ibid. p 528-9.

[10]. *Theories of Surplus Value*, Part Two, chapter XVII, 12, p519-520.

[11]. *Theories of Surplus Value*, Part Two, chapter XVII, 13, p 524.

[12]. *Grundrisse*, Notebook IV, "Circulation Process of Capital", p 410 in the Penguin and Marxist.org version.

[13]. Ibid. p 415.

[14]. *Theories of Surplus Value*, Part Two, chapter XVII, 7, p 496.

[15]. *Grundrisse*, Notebook VII, "Capital as Fructiferous. Transformation of Surplus Value into Profit", p748-9.

[16]. *Capital* Vol. 3, chapter XV, I, p 241-2.

[17]. *Grundrisse*, p749.

[18]. *Capital* volume 3, chapter XIV, V, p238.

[19]. Ibid, 237.

[20]. Ibid. p. 239.

[21]. Ibid. Chapter XV, III, p 256-257.

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