

Surplus value and planning: notes on the reading of 'Capital'

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Two central themes of Marxist thought are prominent in the youthful works of Lenin. The first is the unity of capitalism's social functioning throughout all its development - from merchant and usury capital to industrial capitalism. Industrial capitalism is '...at first technically quite primitive and does not differ in any way from the old systems of production; then organizes manufacture - which is still based on hand labour, and on the dominant handicraft industries, without breaking the tie between the wage worker and the land - and completes its development with large scale machine industry' [1] Lenin sees very clearly that if mercantile production is taken as the most general form of production, it is only completed in capitalist production, where the commodity form of the product of labour is, precisely, 'universal'. This implies that '...not only the product of labour but labour itself, i.e. human labour power, assumes the form of a commodity' [2] Lenin thus lays a sound foundation for his polemic with the Populists (the Narodniks). 'The contraposition of the Russian order of things to capitalism, a contraposition that cites technical backwardness, the predominance of manual production, etc. ... is absurd,' Lenin argues, 'because you find capitalism with a low level of technical development just as you find it technically highly developed.' [3]

A second central theme in the young Lenin is the attack on the Populists' 'economic Romanticism.' In this attack, Lenin picks up Marx's polemic with 'underconsumptionist' interpretations of capitalism, and 'underconsumptionist' explanations of the crisis in particular. Like Sismondi, the Populists separate consumption from production claiming that production depends on natural laws, while consumption is determined by distribution, which in turn depends on human will. But political economy's theme is not by any means 'the production of material values,' as is often claimed ... but the social relations between men in production. Only by interpreting 'production' in the former sense can one separate 'distribution' from it, and when that is done, the 'department' of production does not contain the categories of historically determined forms of social economy, but categories that relate to the labour process in general: usually such empty banalities merely serve later to obscure historical and social conditions. (Take for example the concept of capital). If however we consistently regard 'production' as social relations in production, then both 'distribution' and 'consumption' lose all independent significance. Once relations of production have been explained, both the share of the product taken by the different classes and, consequently, 'distribution' and 'consumption' are thereby explained. And vice versa, if production relations remain unexplained (for example if the process of production of the aggregate social capital is not understood) all arguments about consumption and distribution turn into banalities, or innocent, romantic wishes. [4]

Naturally, Lenin adopts the Marxian analysis of accumulation. [5] It is precisely the scientific analysis of accumulation and of the realization of the product that makes it possible to explain the crisis, not as being determined by insufficient consumption, but rather by'... the contradiction between the social character of production (socialized by capitalism) and the private, individual mode of appropriation.'[6] It is at this point that Lenin gives an extremely schematic explanation of capitalist crises in terms of the 'anarchy of production.'[7]

Lenin thus arrives at two important results. First, he sees the movements of capitalist society and of capital as an evolution of the social relations of production, and, secondly, he uses this basis in order to reject the various reactionary Utopias that flourished spontaneously in Russia at the end of the 19th century in response to the impetuous development of capitalism.[8] Lenin is very insistent in his arguments against the 'sentimental critique' of capitalism, and on his stress on capital's historical necessity and progressiveness, but his analysis of the process of socialization induced by capitalist development against the 'disruption' of the artisan.peasant economy (i.e. of capital in its mercantile' stage) remains unilateral and limited. He seems to see the 'antagonistic nature' of development as nothing more than a relationship between the socialization of production and the anarchy of circulation; and he identifies the contradictidns within the process of socialization as a simple reflection of anarchy. The capitalist market, i.e. generalized exchange, '...unites men, compelling them to enter into intercourse with each other.'[9] At the end of *The Development of Capitalism in Russia* Lenin analyzes the increase in social labour's productive forces and labour's socialization. He focuses on the formation of an 'immense labour market' in place of the 'fragmentation' typical of the small economic units of the natural economy and on how the general mobility of labour-power destroys patriarchal dependence of the producers and creates large units of free wage labourers. [10] These processes originate directly from the machine industry: '[The] machine industry marks gigantic progress in capitalist society not only because it increases the productive forces enormously and socializes labour throughout society, but also because it destroys the manufactory division of labour, compels the workers to go from occupations of one kind to others, completes the destruction of backward partriarchal relationships, and gives a most powerful impetus to the progress of society, both for the reasons stated and as a consequence of the concentration of the industrial population. '[11]

Obviously Lenin does not ignore the effects of the capitalist use of machinery on the conditions of the working class, but he does not see how the laws of capitalist development in the era of competition appear as capitalist planning in the sphere of direct production at the level of the factory. The predominating law of relative surplus value in this era simultaneously makes individual capital the mainspring of the development of social capital and forces increasing planning in the factory. But Marx's recognition that the basis of capital's despotic plan lies in the capitalist appropriation of scientific technique is absent in Lenin's analysis of the factory. Thus the deeper meaning of the development of productive forces in large-stale capitalist industry remains hidden from Lenin. Since he does not see that capitalist planning with its concomitant socialization of labour is a fundamental form of direct production, Lenin can only understand capitalist technology and capitalist planning as totally external to the social relationship that

dominates and moulds them. He concludes that anarchy of production is the essential expression of the law of surplus value and it will be this anarchy that will decide capitalism's historical fate. In fact, Lenin explicitly rejects the hypothesis of an 'amalgamation of the labour process of all the capitalist into a single social labour process' as an absurdity, because it is incompatible with private property. This failure to appreciate the importance of planning leads to seeing an absolute incompatibility between the integration of the social labour process and the fact that each single branch of production is directed by an individual capitalist and gives him the social product as his own private property. [13]

Surplus Value and Planning in Direct Production

Let us now review some of the fundamental points of the analysis of the direct process of production contained in Part IV of the First Volume of Capital (leaving aside the well-known texts of Marx and Engels such as the Introduction to A Contribution to the Critique of Political Economy, Anti-Duhring, etc., which seem to support the Leninist interpretation).

To start with, we should stress that the socialization of labour does not fall within a socially neutral sphere, but appears within the framework of capitalist development right from the outset. The basis of the capitalist process is the transformation of labour into commodities, during which the worker surrenders to the capitalist the use of his individual labour-power. This remains true on whatever scale the labour-power is sold and bought:

'The capitalist pays the value of... independent labour-powers, but he does not pay for the combined labour power' of the workers involved. [14] The relationship between the workers, their cooperation, appears only after the sale of their labour-power, which involves the simple relationship of individual workers to capital. In Marx, therefore, the relationship between the labour process and the creation of surplus value is rather more intimate and complex at the level of direct production than it is at the level of the productive process as a whole.

'Cooperation begins only with the labour process, but they (the workers) have then ceased to belong to themselves. On entering that process, they become incorporated with capital. As cooperators, as members of a working organism, they are but special modes of existence of capital. Hence the productive power developed by the labourer when working in cooperation, is the productive power of capital. '[15]

This is where the fundamental mystification of political economy puts in its appearance: Because the social productive power of labour 'costs capital nothing, and because, on the other hand, the labourer himself does not develop it before his labour belongs to capital, it appears as a power with which capital is endowed by Nature - a productive power that is immanent in capital. '[16] Marx adopted a historical analysis of the forms of simple cooperation in order to insist on its peculiarities under the capitalist mode of production. In the capitalist mode of production cooperation is the fundamental form. Cooperation is the basis for the development of labour's social productive forces. Cooperation in its capitalist form is therefore the first and basic expression of the law of (surplus) value. We can get a better idea of the law's characteristics if

we follow in Marx's footsteps and look at cooperation from a social-economic viewpoint. 'When numerous labourers work together side by side, whether in one and the same process, or in different but connected processes, they are said to co-operate, or to work in co-operation.' [17] Starting from cooperation, capital takes command over a planned labour process. Planning immediately appears at the level of direct production not in contradiction to capital's mode of operation but as an essential aspect of capital's development. Therefore there is no incompatibility between planning and capital, for by taking control of the labour process in its cooperative form (thus realizing its 'historical mission'), capital at the same time appropriates the process' fundamental and specific characteristic, which is planning.

In effect, the Marxian analysis is intended to show how capital utilizes planning at increasingly higher levels of the productive process - from simple cooperation to manufacture and to large-scale industry - in order to strengthen and extend its command over labour power and obtain an even larger access to it. Further, the analysis aims at demonstrating how a growing capitalistic use of planning in the factory is capital's response to the negative effects of both the chaotic movements and clashes of the individual capitals within the sphere of circulation and legislative limits imposed on the extensive exploitation of labour power.

The first aspect under which capitalist planning makes its appearance is in the functions of direction, control and coordination, i.e. in those 'general functions that have their origin in the section of the combined organism, as distinguished from the action of the separate organs.' [18] These are clearly characteristics of cooperative labour. Thus, command over labour power and the function of direction intersect and link up into an objective mechanism that stands in opposition to the workers.

The co-operation of wage labourers is entirely brought about by the capital that employs them. Their union into one single productive body and the establishment of a connection between their individual functions are matter foreign and external to them, are not their own act, but the act of capital that brings them and keeps together. Hence the connection existing between their various labours appears to them, ideally, in the shape of a pre-conceived plan of the capitalist, and practically in the shape of the powerful will of another, who subjects their activity to his aims. If, then, the control of the capitalist is in substance twofold by reason of the twofold nature of the process of production itself - which, on the one hand, is a social process for producing use-values, on the other a process for creating surplus-value - in form that control is despotic. [19]

Capital's planning mechanism tends to extend and perfect its despotic nature during the course of capital's development. For it has to control a growing mass of labour-power with the concomitant increase of workers' resistance while the augmented means of production require a higher degree of integration of the living raw material'.

As Marx points out, the technical basis for the division of labour in the period of manufacture production remains artisan labour. 'The collective labourer, formed by the combination of a number of detailed labourers, is the mechanism especially characteristic of the manufacturing period.' [20] But the combined labour of the detailed workers inherited from artisan production is not enough to attain real technical unification, which only enters the picture with the advent of

machine industry. Yet at this stage the (capitalist) 'objectivization' of the productive process with respect to the worker - the antagonism between the division of labour in the manufacturing process and the social division of labour - has already been generalized. In the sphere of direct production, 'the detailed labourer produces no commodities. It is only the common product of all the detail labourers that becomes a commodity.' [21] If, on the one hand, 'within the workshop the iron law of proportionality subjects definite numbers of workmen to definite functions,' on the other, 'chance and caprice have full play in distributing the producers and their means of production among the various branches of production. [22] It is in the sphere of production that capital's authority manifests itself directly; and it is by despotically imposing proportionality over the various functions of labour that the system's equilibrium is maintained. However, at the social level, the trend towards equilibrium is not the result of conscious acts of prediction and decision, but is 'natural and spontaneous' in such a way that its laws even win out over the will of the individual producers: 'The a-priori system on which the division of labour within the workshop is regularly carried out, becomes in the division of labour within the society an a-posteriori, nature-imposed necessity, controlling the lawless caprice of the producers, and perceptible in the barometric fluctuation of the market prices.' [23]

As one can already see, this is the general way in which competitive capitalism works during the manufacturing stage: anarchy in the social division of labour, despotism (plan) in the division of labour at the level the factory. To this relationship typical of competitive capitalism corresponds a given scheme of 'social values'. 'The same bourgeois mind which praises division of labour in the workshop, life-long annexation of the labourer to a partial operation, and his complete subjection to capital, as being an organization of labour that increases its productiveness - that [rejects] with equal vigor every conscious attempt to socially control and regulate the process of production as an inroad upon such sacred things as the right of property, freedom and unrestricted play for the bent of the individual capitalist. It is very characteristic that the enthusiastic apologists of the factory system have nothing more damning to urge against a general organization of the labour of society, than that it would turn all society into one immense factory.' [24] This apology is peculiar to the era of competitive capitalism .

Marx himself accepts a schematic relationship between despotism in the factory and anarchy in society. 'We may say ...as a general rule that the less we find authority dominant in the division of labour within society, the more do we find that the division of labour develops in the workshop, and the more it is subjected to the authority of a single individual. Thus, authority in the workshop and authority in society, as far the division of labour is concerned, are in inverse ratio to one another.' [25]

Manufacture, therefore, entails a fairly high level of alienation between the worker and his instruments of labour by the intellectual capacities of the material process of production in capital itself. These are set against the workers as something that is not their property and as a power that dominates them - power that has already attained a certain degree of 'technical evidence' and which, within certain limits, appears as technically necessary.

Naturally there remain the limits imposed by the artisan origins of the productive process, which still make themselves felt in the more highly developed forms of manufacture: as a result the worker's alienation from the content of his labour has not yet been perfected. Only with the,

introduction of machines on a large scale do the 'intellectual capacities enhance capitalist command over labour to the highest degree, since it is then that science enters the of capital. It is only at this level that every residue of working-class autonomy within the production of surplus disappears, and the commodity nature of labour presents itself without further 'technical' restrictions. [26] The capitalist productive mechanism with respect to the workers finds its optimal basis in the technical principle of the machine' the technically given speed, the coordination of the various phases 'and the uninterrupted flow of production are imposed on the will of the workers as a scientific necessity and they correspond perfectly to the capitalist's determination to suck out the maximum amount of labour power The capitalistic social relationship is concealed within the technical demands of machinery and the division of labour seems to be totally independent of the capitalist's will. Rather, it seems to be the simple and necessary results of the means of labour's 'nature'. [27]

In the mechanized factory capitalistic planning of the productive process reaches its highest level of development Here the law of surplus value seems to work without limit, since, by means of its conversion into an automaton, the instrument of labour confronts the labourer during the labour process, in the shape of capital ,of dead labour, that dominates and pumps dry living labour power and moreover 'the special skill of each individual insignificant factory operative vanishes as an infinitesimal quantity before the science, the gigantic physical force, and the mass of labour that are embodied in the factory mechanism, and together with that mechanism, constitute the "master"'. [28]

At this point, planning appears as the basis for the capitalist mode of production. And the general law of capitalist production is a normal certainty of the result; the 'factory code in which capital formulates, like a private legislator, and at its own good will, his autocracy over his workpeople, unaccompanied by that division of responsibility, in other matters so much approved of by the bourgeoisie, and accompanied by the still more approved representative system, this code is but the capitalist caricature of that social regulation of the labour process.' [29]

In the initial period of their introduction, machines produce surplus value, - not only by devaluing labour-power, but also because they transform the labour employed by the owner of the machinery 'into labour of a higher degree and greater efficacy, by raising the social value of the article produced above its individual value, and thus enabling the capitalist to replace the value of a day's labour power by a smaller portion of the value of the day's product.' [30] In this situation, the capitalist owners of the machines make exceptionally high profits (and one can say that it is precisely the prospect of these exorbitant profits that gives the first and necessary impulse for mechanized production.) The magnitude of the profit realized 'whets his appetite for more profit,' [31] and the result is a lengthening of the working-day.

When the machines have invaded a whole branch of production, 'the social value of the product sinks to its individual value, and the law that surplus-value does not rise from the labour-power that has been replaced by the machinery, but from the labour-power actually employed in working with the machinery, asserts itself [32] The increase in productivity resulting from the introduction of machinery extends surplus labour at the expense of necessary labour, but achieves this result 'only by diminishing the number of workmen employed by a given amount of

capital.'[33] However, the increase in the rate of surplus value through increased productivity seems unable to compensate for the drop in surplus value, that results from the decrease in the relative number of workers exploited: the ensuing contradiction is solved by means of an increase in absolute surplus value, i.e., by prolonging the working day. [34] This outline is, in effect, only valid for an historically limited period of capitalism, i.e. the first period characterized by the generalized use of machinery. Many of the monstrous consequences of large-scale capitalist industry's exploitation of labour-power are explained within this scheme. But the process corresponding to the capital-machine relationship does not end here. As a result of working-class resistance, the negative effects of an unlimited prolongation of the working day provide a 'reaction on the part of society, whose life is threatened at its roots, so that it decrees a legal limitation on the normal working day.'[35] The new situation forces capital to expand another aspect of the exploitation inherent in the use of machinery the intensification of labour.

Here, Marx speaks very clearly about a 'rebellion' of the working class in the 'political' sphere, which forces the State to enforce a shortening of labour time'. This 'rebellion' against the system induces a response that simultaneously represents both a capitalistic development of the machine system, and a consolidation of its domination over the working class. It is different, however, so soon as the compulsory shortening of the hours of labour takes place. The immense 'impetus it gives to the development of productive power, and to economy in the means of production, imposes on the workman increased expenditure of labour in a given time, heightened tension of labour-power, and closer filling up of the pores of the working day, or condensation of labour to a degree that is attainable only within the limits of the shortened working day ... In addition to a measure of its extension, i.e., duration, labour now acquires a measure of its intensity or of the degree of its condensation or density. [36]

It is at this point that the phenomena typical of large-scale capitalist industry make their appearance. So soon as the shortening becomes compulsory, machinery becomes in the hands of capital the objective means, systematically employed for squeezing out more labour in a given time. This is effected in two ways: by increasing the speed of the machinery, and by giving the workman more machinery to tend. [37]

Obviously, at this level, the relationship between technological innovation and the production of surplus value becomes still more intimate. This is necessary in order to exert more pressure on the workers and 'spontaneously' goes hand in hand with the intensification of labour, since the limit placed on the working day forces the capitalist to a more rigorous economizing of the costs of production. Herein lies the passage from labour's formal subordination under capital's command to its real subordination. And the distinctive trait of labour's real subordination is precisely 'technical necessity'.

When the use of machinery is generalized on a wide scale and in all branches of production, capitalism at the level of direct production is despotism exercised in the name of rationality; the old 'scientific' dream of perpetual motion, - i.e. of movement achieved without expenditure of labour - seems to be realized with a maximum exploitation of labour-power and the maximum submission of the worker to the capitalist. The law of surplus value finds its expression in the unification of exploitation and submission. Capital's despotism appears as a despotism of rationality, since capital welds its constant and variable parts in their most effective operation

and seems to make itself a technical necessity.

At the level of direct production, Marx sees capitalism as planning on the basis of an unlimited development of productive forces: here, we find the fundamental expression of the antagonistic nature of capitalist production. The 'immanent contradictions' do not lie in the movements of individual capitals, i.e., they are not internal to capital; the sole limit to the development of capital is not capital itself but the resistance of the working class. The principle of planning, which for the capitalist means 'prediction, 'certainty of result', etc., is imposed on the worker only as an 'overpowering natural law'. [38] In the factory system, the anarchical aspect of capitalist production lies solely in the insubordination of the working class, in its rejection of 'despotic rationality'.

Faced by capital's interweaving of technology and power, the prospect of an alternative (working-class) use of machinery can clearly not be based on a pure and simple overturning of the relations of production (of property), where these are understood as a sheathing that is destined to fall away at a certain level of productive expansion simply because it has become too small. The relations of production are within the productive forces, and these have been 'moulded' by capital. It is this that enables capitalist development to perpetuate itself even after the expansion of the productive forces has attained its highest level. At this point the social regulation of the labour process immediately appears as a type of planning that is different from, or contraposed to, capitalist planning.

Capitalism's historical tendency to overcome competition

In *Capital*, then, it seems that the opposition between despotism (plan) in the factory and anarchy in society is the general form expressing the law of value. We have also seen how the principal 'laws' of capitalist development formulated by Marx are strictly linked to this formula: a formula that seems to be identical with the structure of *Capital*, so that this work could be read as an interpretation of competitive capitalism, valid only for that form of capitalism. In any case, the further 'orthodox' development of Marxist theory re-asserted this perspective by denying the capitalist system any other 'full' form of development outside that assured by the competitive model, and by defining regulated monopolistic-oligopolistic capitalism as capitalism's last and 'putrescent' stage. Modern revisionism, on the other hand, ends up by losing sight of the system's continuity in its passage from one historical leap to the next, for it too has anchored its expression of the law of value to the same interpretation. In reality, however, the model provided in *Capital* is not a closed model at all. *Capital*'s incessant forward movement is by no means confined within the limits of competition, while 'capitalistic communism' [39] is something more than an automatic movement of total social capital that results from the blind operation of the system.

In a letter to Engels dated April 2, 1858, Marx lays out a first outline for *Capital*. Other Marxian students have already noted that, in this outline, the various level of the system are still divided according to empirical criteria, rather than being unified around the nucleus of the laws of political economy. The general plan of the work is split up into six books: '1) *Capital*. 2) Landed Property. 3) Wage Labour. 4) State. 5) International Trade. 6) World Market.' [40] This unsystematic way of presenting the material lays bare the way Marx thought about the

movement of capitalist accumulation. This becomes clear when he proceeds to a more detailed exposition of the plan for the first book (Capital). It 'contains four sections:

a) Capital in general ... b) Competition, or the actions of the many capitals upon one another. c) Credit, where capital appears as the general element as opposed to individual capitals. d) Share capital, as the most perfect form ('leading to communism) together with all its contradictions.' [41]

It is important to note how Marx stresses that the successive moves from one category to the next are 'not only dialectical, but [also] historical.' [42] As early as the Grundrisse Marx was already talking about share capital as that 'form in which capital has 'worked itself up to its final form, in which it is posited, not only in itself, in its substance, but it is posited also in its form, as social power and product.' [43]

In the logical-systematic exposition of Capital, this stage of capitalist accumulation which lies beyond competition seems to co-exist alongside the dominant competitive forms naturally without being able to reconcile itself with them. Nonetheless in Capital, as well, the higher stage which expresses the general tendency of capitalist accumulation is seen to be the share-capital stage, which is that form of total social capital which no longer simply expresses the blind interweaving of individual capitals (this is amply demonstrated by the chapter on the 'General Law of Capitalist Accumulation' in Book One).

Here, that kind of 'concentration which grows directly out of [accumulation], or, rather, is identical with it,' appears as the foundation of the competitive system. In fact,

First: the increasing concentration of the social means of production in the hands of individual capitalists is, other things remaining equal, limited by the degree of increase of social wealth. Second: the part of social capital domiciled in each particular sphere of production is divided among many capitalists who face one another as independent commodity-producers competing with each other. Accumulation and the concentration accompanying it are, therefore, scattered over many points, but the increase of each functioning capital is thwarted by the formation of new and the subdivision of old capitals. Accumulation, therefore, presents itself on the one hand as increasing concentration of the means of production, and of the command over labour; on the other, as repulsion of many individual capitals one from another. [44]

But this, which seems to coincide precisely with the sphere of competition, is only one side of the general law of capitalist accumulation. The other side, which acts against the dispersion of total social capital, consists of the mutual attraction between its fractions. In Marx's words, 'This process differs from the former [i.e. simple accumulation] in this, that it only presupposes a change in the distribution of capital already to hand, and functioning: its field of action is therefore not limited by the absolute growth of social wealth, by the absolute limits of accumulation ... This is centralization proper, as distinct from accumulation and concentration.' [45] Marx then develops his views on the credit system, which first 'sneaks in as a modest helper of accumulation' in order to become 'a new and formidable weapon in the competitive struggle... finally transforming itself into an immense social mechanism for the centralisation of capitals'. [46]

The other side of the general law of capitalist accumulation appears as a process of unlimited

development with respect to the phase of competition. 'Centralization in a certain line of industry would have reached its extreme limit if all the individual capitals invested in it would have been amalgamated into one single capital. This limit would not be reached in any particular society until the entire social capital would be united, either in the hands of one single capitalist, or in those of one single corporation'. [47]

It does not escape Marx that, if centralization and its particular mechanisms are distinct from genuine accumulation, they are nonetheless a function of the latter, and alone make it possible to achieve on a social scale the revolution introduced by capitalist industry. 'The increased volume of industrial establishments forms everywhere the point of departure for a more comprehensive organization of the co-operative labour of many, for a wider development of their material powers, that is, for the progressive transformation of isolated processes of production carried on in accustomed ways into socially combined and scientifically managed processes of production. '[48] But it is only with centralization that one finds the acceleration, which depends not only on the 'quantitative grouping of the integral parts of social capital' but also on the fact that it 'extends and hastens ... the revolutions in the technical composition of capital.'[49] When different masses of capital join up through centralization, they increase more quickly than others, 'thus becoming new and powerful levers for social accumulation'. [50]

The analysis of centralization reveals a close relationship between the sphere of direct production and circulation, while this relationship is obscured if one only attends to the link between direct production and competition. Such a perspective allows one to see connections not established in Capital, and thus relegates many of its general 'laws' to a phase of capitalist development. However, it does validate the fundamental methodological principle of Capital: the mode of production dominates the process of circulation. The law of capitalist accumulation is dealt with again in Chapter XXVII of Book Three of Capital, where Marx discusses the 'Function of credit in capitalist production'. Here, we are directly at the level of share capital's maximum development. In particular, Marx stresses that, at this level, the social concentration of the means of production and of labour power corresponds to the form of social capital, as opposed to that of private capital. From this follows the creation of firms that are social firms rather than private ones. 'It is,' Marx says, 'the abolition of capital as private property within the framework of capitalist production itself. '[51] In its turn, the active personification of capital, the capitalist, i.e., 'the actually functioning capitalist,' becomes 'a mere manager, administrator of other people's capital.' In their turn, the proprietors of capital change into 'mere money-capitalists.'[52] One can say that it is here that the complete 'autonomization' of capital begins. Total profit itself, which includes interest and the entrepreneur's gain, 'is received only in the form of interest,' that is to say, 'as mere compensation for owning capital that now is entirely divorced from the function in the actual process of reproduction, just as this function in the person of the manager is divorced from ownership of capital.'[53]

Under these conditions, Marx goes on:

profit appears (no longer that portion of it, the interest, which derives its justification from the profit of the borrower) as a mere appropriation of the surplus-labour of others, arising from the conversion of means of production into capital, i.e., from their alienation vis-a-vis the actual producer, from their antithesis as another's property to every individual actually at work in

production, from manager down to the last day-labourer. In stock companies the function is divorced from capital ownership of means of production and surplus-labour. [54]

The absolute separation of labour from the ownership of capital appears as:

a necessary transitional phase towards the reconversion of capital into the property of producers, although no longer as the private property of the individual producers, but rather as the property of associated producers, as outright social property. On the other hand, the stock company is a transition toward the conversion of all functions in the reproduction process which still remain linked with capitalist property, into mere functions of associated producers, into social functions. [55]

At this point it almost seems as if Marx himself falls into the error of confusing the labour process with the overall process of value-creation. The nexus between the sphere of direct production and the way in which collective capital works seems to have been forgotten, and the simplified outline contrasting the development of productive forces to relations of production re-appears. So Marx says that 'the abolition of the capitalist mode of production within the capitalist mode of production itself' - which is characteristic of this level of capitalist accumulation's development - is 'a self-dissolving contradiction, which prima facie represents a mere phase of transition to a new form of production.' [56]

But, in the Marxian analysis, the share-capital phase, which is 'the abolition of capitalist private industry on the basis of the capitalist system itself,' entails a profound change in the capitalist mechanism.

Since profit here assumes the pure form of interest, undertakings of this sort are still possible if they yield bare interest, and this is one of the causes, stemming the fall of the general rate of profit, since such undertakings, in which the ratio of constant capital to the variable is so enormous, do not necessarily enter into the equalisation of the general rate of profit. [57]

Here Marx points to a genuine 'leap' between different levels in the development of capitalism. But the analysis cannot stop short at merely identifying the different levels of capitalist accumulation. It must also avoid the temptation of succumbing, at a certain point, to a description in terms of simple adjustments and corrections with respect to a given 'model' phase whose substance is considered unmodifiable. These passages of Marx contain in embryo the analysis of the monopoly phase, and furthermore bring to light elements that fall beyond the limits of even the first phase of monopoly capitalism. [58]

Capitalist planning in overall social production

For Marx, the sphere of circulation is both the result of and the mystification of capitalistic relations of production: as 'a special sort of commodity, capital has its own peculiar mode of alienation.' [59] In the formula M-C-M, the formula for merchant capital, 'there is at least the general form of the capitalistic movement.' In fact, profit re-appears 'merely as profit derived

from alienation; but it is at least seen to be the product of a social relation, not the product of a mere thing.' [60] All trace of a social relationship in the movement of capital disappears, however, with capital that produces interest, whose formula, M-M, expresses only a 'relationship of magnitudes.' Here, capital has only a quantitative relationship with itself: 'capital as such ... assumes this form of a directly self-expanding value for all active capitalists, whether they operate on their own or borrowed capital.' [61]

One thus seems to get 'the primary and general formula of capital reduced to a meaningless condensation.' [62] With the development of interest-producing capital as the dominant social formation, the mystification inherent in capitalistic relations of production seen to be brought to their highest level. The processes of production and circulation are removed from the picture: 'The thing (money, commodity, value) is now capital even as a mere thing, and capital appears as a mere thing.' [63] One thus gets the most general expression of capitalistic fetishism: 'The social relation is consummated in the relation of a thing, money, to itself.' [64]

The capitalist mode of production achieves complete concealment of its origin and real movement once surplus-value producing capital appears only as monetary capital. 'While interest is only a portion of the profit, i.e. of the surplus-value, which the functioning capitalist squeezes out of the labourer, it appears now, on the contrary, as though interest were the typical product of capital, the primary matter, and profit, in the shape of profit of enterprise, were a mere accessory and by-product of the process of reproduction. Thus we get the fetish form of capital and the conception of fetish capital.' [65] In this way, capital's specifically social nature is fixed in the form ('thing') of the ownership of capital; a form which in itself contains the capacity for command over labour and gives its fruit in the form of interest. Consequently, the part of surplus-value due to the operative capitalist, the entrepreneur, 'must necessarily appear as coming not from capital as such, but from the process of production, separated from its specific social attribute, whose distinct mode of existence is already expressed by the term interest on capital. But the process of production, separated from capital, is simply a labour-process. Therefore the industrial capitalist, as distinct from the owner of capital, does not appear as operating capital, but rather as a functionary irrespective of capital, or as a simple agent of the labour-process in general, as a labourer, and indeed as a wage-labourer.' [66]

The relationship between capital and labour is thus completely 'forgotten'. 'In interest, therefore, in that specific form of profit in which the antithetical character of capital assumes an independent form, this is done in such a way that the antithesis is completely obliterated and 'abstracted'. [67] In the entrepreneurial capitalist's 'labour', the managerial function implied by associated social labour receive their specific traits from the capitalist relationship. Here, Marx partially sums up the analysis of Section IV of Book One. According to Marx, the process is completed with the maximum development of joint-stock companies, when, on the one hand, 'money-capital itself assumes a social character with the advance of credit, being 'concentrated in banks and loaned out by them instead of its original owner and, on the other, 'the mere manager who has no title whatever to the capital, whether through borrowing it or otherwise, performs all the real functions pertaining to the functioning capitalist as such.' At this level, 'only the functionary remains and the capitalist disappears as superfluous from the production process.' [68]

The analysis of capital's 'autonomization' is resumed in the well-known pages of the 'trinity formula'. [69] All social forms associated with merchant capital and monetary circulation cause a mystification, 'that transforms the social relations, for which the material elements of wealth serve as bearers in production, into properties of these things themselves (commodities) and still more pronouncedly transforms the production relation itself into a thing (money) ... under the capitalist mode of production and in the case of capital, which forms its dominant category, its determining production relation, this enchanted and perverted world develops still more.' [70]

The capitalist relationship first appears clearly when capital 'siphons off' absolute surplus value by prolonging the working day. But, as we have seen, with the development of relative surplus value, or rather, with the 'actual specifically capitalist mode of production, whereby the productive powers of social labour are developed, these productive powers and the social interrelations of labour in the direct labour process seem transferred from labour to capital.' [71] Thus capital has already become a 'very mystic being.' The specific content of this 'being' is the capitalistically planned form of the social process of production, the capitalistic socialization of labour. In the move from the realization of value and surplus-value to the sphere of circulation, 'both the restitution of the value advanced in production and, particularly, the surplus-value contained in the commodities seem not merely to be realised in the circulation, but actually to arise from it.' [72] In particular, two factors confirm this 'appearance': profit through alienation, and the rate of circulation, which 'has the appearance of being as definite a basis as labour itself and of introducing a determining element that is independent of labour and resulting from the nature of capital.' [73]

The transformation of surplus-value into profit, and to an even greater extent the transformation of profit into average profit, and value into production prices, 'obscures more and more the true nature of surplus-value and thus the actual mechanism of capital.' [74] Finally, for Marx, the 'ossification' of the form of surplus-value finalized in the division of profit into interest and entrepreneurial gain: 'Wherefore also the formula capital - interest, as the third to land - rent and labour - wages, is much more consistent than capital - profit, since in profit there still remains a recollection of its origin, which is not only extinguished in interest, but is also placed in a form thoroughly antithetical to this origin.' [75]

At the end of this passage, Marx makes a very important assertion, which we quote in full because we believe it has been insufficiently stressed by other commentators.

In our description of how production relations are converted into entities and rendered independent in relation to the agents of production we leave aside the manner in which the interrelations, due to the world market prices, periods of credit, industrial and commercial cycles, alternations of prosperity and crisis, appear to them as overwhelming natural laws that irresistibly enforce their will over them, and confront them as blind necessity. We leave this aside because the actual movement of competition belongs beyond our scope, and we need present only the inner organisation of the capitalist mode of production, in its ideal average, as it were. [76]

The 'objectivization' of capital in the trinity formula thus appears only at the highest level of capitalist development foreseen by Marx. Capital's maximum socialization is in the form of finance capital. In the general expression of the capitalist model, competition is placed to one -

side, but the regulation of the overall production process in the sphere of circulation is only considered through the theory of production prices, which still represent a blindly operating mechanism with respect to the individual agents of production, rather than one of the system's regulating mechanisms. The entrepreneurial capitalist has become 'superfluous'; in his place one finds capital's productive functionaries while the banker incarnates the figure of the collective capitalist.

According to Marx, historically speaking, there is a growing cohesion in the system, passing through various stages; from the predominance of the individual capitalist to that of the capitalist as a simple shareholder of capital, passing through production prices up until the appearance of social capital in the financial form and division of profit into interest and entrepreneurial gain. Clearly, in each of these various stages of development, the specific forms assumed by surplus-value (i.e. the laws of movement of capital as a whole) are distinct.

When the law of surplus value functions as planning only at the level of the factory, the working class political struggle essentially takes the form of a struggle against anarchy in society. Since, at this level, the internal contradictions of capitalism in the sphere of circulation (anarchy in the reciprocal movements of the individual capital etc.) are enhanced, the proletariat's struggle is realized in this sphere and essentially assumes the form of a 'politics of alliances'. The history of the various Western Communist Parties illustrates this point. Ed.) The struggle in the sphere of direct production is destined to remain within the orbit of 'economic' struggle, and trade-unionism is its typical form. In this perspective, the model of socialist society is identified with planning, while the social relations in the sphere of direct production, in the factory, are left undetermined. This is the young Lenin's position we have discussed. Marx's own analysis of the factory and direct production in capitalism is rich enough to offer components for the formulation of a socialist perspective that does not rest on the illusory and mystified basis of its identity with planning taken in itself, i.e. abstracted from the social relationships that may find expression in its various forms.

In his analysis, Marx destroys the basis for any misunderstanding regarding capitalism's incapacity for planning. He shows that, on the contrary, the system tends to react to any contradiction or limitation on its own maintenance and development by increasing its degree of planning. And, in this, it basically expresses the 'law of surplus value. Thus Marx explicitly recognizes that the abolition of the old division of labour is not automatically prepared by capitalist development. All that is prepared, in the capitalist plan's antagonistic form, are 'revolutionary ferments'. The capitalist caricature of the regulated labour process is not a simple wrapping, which falls away to reveal the forms of the new society ready and waiting, for the capitalist plan is not a legacy that the working class can take over from capital.

Nonetheless, in Marx, or at least in Book One of Capital, the dichotomy between planning in the factory and anarchy in society prevails. Whenever Marx explicitly brings out the content of this relationship, he obscures those aspects of capitalist domination that derive from the capitalist use of rationality, and instead overemphasizes the 'devastation deriving from social anarchy'. Planning seems to stop at the threshold of the factory, which remains the closed kingdom of the social process of production. Planning is not seen as being operative at the level of the overall process. Rather, the sphere of circulation is its symmetrical correlative - anarchy in circulation

grows with the growth of planning at the level of direct production. The laws regulating the movement of individual capitals and determining the development of the comprehensive social capital are only known to the agents of production a posteriori. They therefore clash with the rational laws of planning. Thus, there is one level (the factory, direct production) in which capitalism has incorporated science and technology into its mode of production, while there is another level (society as a whole) in which capitalism presents itself as an 'unconscious' and anarchical mode of production, at the mercy of the uncontrolled movements of competition. It is only at this second level that capital cannot regulate the effects of the capitalistic uses of machines. Technological unemployment, cyclical movements, and crises are phenomena that capital does not control, since the comprehensive movement of social capital is seen as nothing more than the result of the interweaving of the individual capitals.

There is a suggested identification of socialism and planning in Book One of Capital that is nowadays developed both theoretically and practically over and beyond any considerations of the social relationship upon which planning operates. Therefore, the perspective of socialism that emerges is ambiguous. On the one hand, planning's growing command over labour can lead to a direct clash between capital and the working class - as Marx hints - through halting the identification of the maximum development of the productive forces (machine production, automation, the socialization of labour) with the capitalist use of technology. In this view of socialist development the parts of the labour process compatible with social regulation must be critically extricated from the capitalist nexus of technology and power. But, on the other hand, Marx's emphasis on social anarchy as the characteristic of the total process of capitalist reproduction tends to win back the plan in itself as an essential value of socialism in the clash with the capitalist system.

In Capital, moreover, the stress on capital movements in circulation is different in the different stages of development. The phenomena typical of this sphere (anarchy, cyclical fluctuations, etc.) are never seen as 'catastrophes', but essentially as modes of capital's development. The dynamic of the capitalist process is substantially dominated by the law of concentration and centralization. And this dynamic leads to what is, for Marx, the highest phase of development of capital's 'autonomization', i.e., the phase of finance capital. Then planning in the sphere of direct production appears as the general expression (Historically permanent and increasingly dominant), while anarchistic competition is only a transitory phase of capitalist development. Thus the 'orthodox' way of looking at the relationship between planning and anarchy is ambiguous. Marx's thought, however, contains all the elements needed to overcome this ambiguity.

If anything, Marx asserts on many occasions a theory of capitalism's 'untenability' at its maximum level of development, when the 'superabundant' productive forces enter into conflict with the system's 'restricted base' and the quantitative measurement of labour becomes an obvious absurdity. [77] But this perspective immediately refers us back to another question. Capitalism's development in its advanced form shows the system's capacity for self-limitation, for the reproduction of the conditions of its survival by conscious interventions, and for planning, and the limits of this development (for example by planning the level of unemployment). In this way we return to the fundamental problem of the capitalist stage that Marx did not foresee, at its modern level beyond finance capital) in its most advanced points. It is even an obvious banality

to say that capitalism of the monopolies and oligopolies cannot be explained by the predominance of finance capital. Planned capitalism develops from non-oligopolistic 'capitalism.

In the light of these developments, the 'objectivization' manifest in the trinity formula appears as a form that is rather less perfected than it seemed to Marx. Since with generalized planning capital extends the fundamental mystified form of the law of surplus value from the factory to the entire society, all traces of the capitalistic process' origins and roots now seem to really disappear. Industry re-integrates in itself finance capital, and then projects to the social level the form specifically assumed by the extortion of surplus value. Bourgeois science calls this projection the neutral development of the productive forces, rationality, planning. Thus, the task of apologetic economists is made somewhat easier.

As we have already noted, the more evident and massive aspects of the capitalist society in Marx's time exercised a certain tyranny over this thought, but all the contingent aspects of Marxian thought must be set aside in order to grasp some of its potent suggestions with respect to the dynamics of capitalist development. Above all, certain rigidified schemes, including undeveloped characteristics deriving from the notion of anarchy in circulation must be excluded from the picture. In Marx's thought, it remains of fundamental importance that the capitalist system has the capacity of reacting to the destructive consequences of certain 'laws' by introducing new laws that are destined to guarantee its continuity on the basis of the law of surplus value. Considered in this way, Capital offers a general dynamic model of the capitalistic mode of production in which in every phase, what appeared as counter-tendencies subordinate to other prevalent tendencies in the previous period, may in their turn reverse the situation and become dominant tendencies in the new situation. In this dynamic model, the only constant is the tendency for capital's domination over labour-power to increase.

Marx's viewpoint recognizes different stages in capitalism's development. These are stages that the analysis must distinguish without falling into the 'systematic' error of fixing the representation of any moment, with its particular transitory laws, as the 'fundamental model' to which the system's further development could only make more or less marginal corrections.

To be sure, in Marxist thought after Marx there was a moment when the turning point in the system marked by the emergence of monopolistic capitalism around the 1870's was recognized. (This now seems to us to be a transition period with respect to the real 'turning point' which started in the 1930's and is still continuing.) But the analysis and representation of the new, nascent phase was immediately related to the laws that it was tending to surpass, and it was therefore interpreted as the 'last stage'.

The mythology of capitalism's 'last phase' is present in both Lenin and Kautsky - though with different, and even opposed, ideological functions. In Lenin's case, it serves to legitimate the rupture of the system in the less advanced points of its development; in Kautsky's case, it serves to sanction a reformist postponement of revolutionary action till 'the fullness of times'. Since the 1917 revolution did not link up with the revolution in the more advanced countries, it fell back on those contents that were immediately realizable at the level of development of Russia. In Lenin there seems to be a lack of clarity regarding the possibility that capitalist social

relations may be present in socialist planning. This lack of clarity would later facilitate the repetition of capitalist forms in the relations of production both at the 'factory level and at the level of the overall production - all this, behind the ideological screen of the identification of socialism with planning, and of the possibility of socialism in one country only.

Marxism itself thus can become an apologetic form of thought linked to a formalistic vision which moves on the surface of the economic reality and falls to grasp both the totality and the internal variability of the system's functioning. Thus changes in capitalism are detected at the empirical level, but when an attempt is made to reach the 'scientific' level, there is a return to explanatory models that abstract from historical development (and therefore paradoxically repeat the schematicism of the eternally valid 'rational' economy). In brief, Marxist thought has failed to grasp the fundamental characteristic of modern-day capitalism, [78] which lies in its capacity for salvaging the fundamental expression of the law of surplus value, i.e. planning, both at the level of the factory and at the social level.

Notes

1. V.1. Lenin, Collected Works (hereafter Cw), Foreign Languages Publishing House, Moscow, 1963, 1, p.438.
2. Ibid.; p.437.
3. Ibid., p.438.
4. CW, 11, pp.202-3.
5. Cf., for example, "The Economic Content of Narodism," op. Cit., I, p.498, where Lenin directs his polemics against "the naive view that the capitalist's purpose is only personal consumption and not the accumulation of surplus-value," and against the 'mistaken idea that the social product splits up into $V + S$ (variable capital + surplus-value) as was taught by Adam Smith and all the political economists before Marx, and not into $C + V + S$ (constant capital, means of production, and then into wages and surplus-value) as was shown by Marx.' Similarly, in op. cit., II, ('A Characterization of Economic Romanticism') see the whole paragraph on accumulation in capitalist societies, and in particular his statement that 'to expand production (to "accumulate" in the categorical meaning of the term) it is first of all necessary to produce means of production, and for this it is consequently necessary to expand that department of social production which manufactures means of production, it is necessary to draw into it workers who immediately present a demand for articles of consumption, too. Hence, "consumption" develops after "accumulation," or after "production".... Hence, the rates of development of these two departments of capitalist production do not have to be proportionate, on the contrary, they must inevitably be disproportionate.' p.155 (Lenin's italics).
6. CW, 11, p.167.
7. Ibid.1 p.167; cf. also p.172, and in general the whole passage on 'The Crisis', op. cit., pp. 16&174.

8. Cf. op. cit., especially pp.172-73; 197ff.; 204ff.; 219ff.

9. Op. cit., p.219.

10. CW, III, pp. 585ff

11. CW, II, p.187.

12. CW, 11, pp.102"

13. CW, 1, p.177.

14. Karl Marx, Capital (Charles H. Kerr & Company, New York, 1906), 1, p.365.

15. Ibid.

16. Ibid

17. Ibid.; p.357.

18. Ibid., p.363.

19. Ibid., p.364.

20. Ibid., p.383.

21. Ibid., p.390; cf. also pp.395-96: 'Manufacture proper not only subjects the' previously independent workman to the discipline and command of capital, but, in addition, creates a hierarchic gradation of the workmen themselves. While simple co-operation leaves the mode of working by the individual for the most part unchanged, manufacture thoroughly revolutionizes it, and seizes labour-power by its very roots. It converts the labourer into a crippled monstrosity, by~ forcing his detail dexterity at the expense of a world of productive capabilities and instincts; just as in the States of La Plata they butcher a whole beast for the sake of his hide or his tallow. Not only is the detail work distributed to the different individuals, but the individual himself is made the automatic motor of a fractional operation, and the absurd fable of Menenius Agrippa, which makes man a mere fragment of his own body, becomes realized. If, at first, the workman sells his labour-power to capital, because he lacks the material means of producing a commodity, nor his very labour-power refuses its services unless it has been sold to capital. Its functions can be exercised only in an environment that exists in the workshop of the capitalist after the sale. By nature unfit to make anything independently, the manufacturing labourer develops productive activity as a mere appendage of the capitalist's workshop.' (italics added)

22. Ibid., p.390.

23. Ibid., p.391.

24. Ibid.

25. Ibid., p.392.

26. Ibid., pp.463-4; cf. also p.415, and pp. 420-21.

27. Ibid., p. 440, and p.504.

28. Ibid., p.462.

29. Ibid., pp.463-4.

30. Ibid., p.444.

31. Ibid.

32. Ibid.

33. Ibid.

34. Ibid., p.445.

35. Ibid., p.447.

36. Ibid., p.448; cf. also pp. 520-1, 524-26.

37. Ibid., p.450.

38. Ibid., p.533.

39. Cf., Marx's letter to Engels, April 30, 1868: 'What competition between the various masses of capital - differently composed and invested in different spheres of production - is striving to produce is capitalist communism, namely that the mass of capital belonging to each sphere of production should snatch an aliquot part of the total surplus value proportionate to the part of the total social capital which it forms.' K. Marx and F. Engels, *Selected Correspondence*, Progress Publishers, Moscow, 1965, p.206 (Marx's italics).

40. K. Marx, P. Engels, op. cit., p.104.

41. Ibid. (Marx's italics)

42. Ibid. (Marx's italics)

43. Karl Marx, *Grundrisse* (transl. by Martin Nicolaus, Penguin Books, 1973), p. 530. (Marx's italics)

44. Karl Marx, Capital, 1, pp.685-86.

45. Ibid., p.686.

46. Ibid., p.687.

47. Ibid., p.688.

48. Ibid.

49. Ibid., pp.688-9.

50. Ibid., p.689.

51. Karl Marx, Capital III, p.436.

52. Ibid.

53. Ibid.9 43&7.

54. Ibid., p.437.

55. Ibid.

56. Ibid., p.438.

57. Ibid., p.437.

58. This relationship between system and its laws of development has been captured ver clearly by Guillio Pietranera in his introduction to Rudolf Hilferding, *Il Capital Finanziario*, Milan 1961: 'The increase in capital's organic composition ... occurs through an irreversible process of concentration of production on given single productive units (hence, different from other ones); it also occurs through the abolition of competi tion and hence, of its own categories. The monopolistic transformation establishes itself through the very abolition of the general rate of profit, i.e., through the rise of particular, non competitive rates, which ensue from the monopolistic parcelling out of the market.... At a certain moment, the continual increase in the organic composition of capital leads to such a (tendential) decrease in the general rate of profit that the capitalist structure reacts with a "leap", i.e., with such an increase in the very organic composition that from competition one moves to "monopoly". And from that point on, you no longer have a general rate of profit.... The establishment of joint-stock company constitutes originally one of the antagonistic causes for the fall of the general rate of profit (i.e., for the continual increase in capital's organic composition); but they also contribute to the centralization of the "credit system", and definitely enhance the monopolistic concentration of the market (hence, you have the "leap" to monopoly) Thus, the very rise of joint-stock companies contributes to abolishing the general rate of profit, replacing it with particular monopolistic rates.' The exceptional importance of such a "leap" in the system does not escape Pietranera: 'It must

be pointed out that the given increase in capital's organic composition, which leads to the monopolistic situation', is - to be sure - a reaction to the fall in the general rate of profit; but it is historically unique reaction in that, from that moment on, the very qualitative and conceptual terms of the problem change - and with it, also the historical course of capitalist development.' pp. liv-lv.

59. Karl Marx, Capital, III, p.348.

60. Ibid., p.391.

61. Ibid.

62. Ibid.

63. Ibid., p.392.

64. Ibid.

65. Ibid.; cf. also pp.341.

66. Ibid., p.382; cf. also pp.382-3: 'Due to the alienated character of capital, its antithesis to labour, being relegated to a place outside the actual process of exploitation, namely to the interest-bearing capital, this process of exploitation itself appears as a simple labour process in which the functioning capitalist merely performs a different kind of labour than the labourer. So that the labour of exploiting and the exploited labour both appear identical as labour. The labour of exploiting is just as much labour as exploited labour. The social form of capital falls to interest, but expressed in a neutral and indifferent form. The economic function of capital falls to profit of enterprise, but abstracted from the specific capitalist character of this function.'

67. Ibid., p.382.

68. Ibid., p.388.

69. Karl Marx, Capital, III, pp. 814ff., especially the passage III, pp. 817ff.

70. Ibid., pp. 826-7.

71. Ibid.

72. Ibid.

73,

Ibid p. 828 74. Ibid.; this is how Marx summarizes the theory of the prices of production: 'A complicated social process intervenes here, the equalization process of capitals, which divorces the relative average prices of the commodities from their values, as well as the average profits

in the various spheres of production (quite aside from the individual investments of capital in each particular sphere of production) from the actual exploitation of labour by the particular capitals. Not only does it appear so, but it is true in fact that the average price of commodities differs from their value, thus from the labour realised in them, and the average profit of a particular capital differs from the surplus-value which this capital has extracted from the labourers employed by it. The value of commodities appears, directly, solely in the influence of fluctuating productivity of labour upon the rise and fall of the prices of production, upon their movement and not upon their ultimate limits. Profit seems to be determined only secondarily by direct exploitation of labour, in so far as the latter permits the capitalist to realize a profit deviating from the average profit at the regulating market-prices, which apparently prevail independently of such exploitation under favourable, exceptional conditions, seems to determine only the deviations from average profit, not this profit itself.' pp.828-9.

75 Ibid., p.829; here Marx acknowledges the 'great merit of classical economy to have destroyed this false appearance and illusion:' the 'enchanted, perverted, topsy-turvy world in which Monsieur Le Capital and Madame la Terre do their ghost-walking as all characters and at the same time directly as mere things.' p.830.

76 Ibid., p.831w

77 Cf Mark Marx, *Grundrisse*, op. cit., pp.692-706. In these pages Marx discusses the possibility of a direct passage from capitalism to communism.

78. Authoritarian planning as the fundamental expression of the law of surplus value (as well as its tendency to extend to the overall social production), is intrinsic in capitalist development. In the current phase, this process appears with greater clarity as a distinct trait of capitalist societies, and in forms which are irreversible. Of course, this does not mean that today capitalism's 'last stage' is being realized. Among other things, the controlled proportionality between production and consumption is still effected with approximating instruments; and what counts more, it is still done in a national context or in a limited international context and by the more advanced countries, on the basis of durable consumer goods' production. In other words, it is done within limits which are insufficient.

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