

## Lecture II: The Theories of Karl Marx

### Introduction

Please understand that I am not claiming that Marxist economics represents the only form of radical economics. By the same token, it is considered to be the major form of radicalism in the United States today. While we will also study other forms of radicalism, our emphasis will be on Marx. Therefore, as background, we will begin our journey by exploring Marx's analysis.

My emphasis here will be on the writings of Marx himself. Such an approach would be a weak way of looking at modern Marxist philosophy if we were not going to discuss Marxist doctrine at some length during the course. Marx has been much modified by his followers, as is true of most great economic thinkers. This represents a major criticism of the way in which Marx is handled in most Principles texts, if at all. Many texts treat Marxism as if Marx himself were still the only one to have written within the Marxist school of economic thought.

### Karl Marx's Philosophy and His Interpretation of History

Karl Marx was probably, first and foremost, a philosopher. In his readings of philosophy during his early years he became very interested in Hegelian philosophy, which he eventually accepted as his starting point for further analysis.

Within this philosophy, the one element of the universe that is all pervasive is change! Change is always an abstraction (according to Hegel) because nothing is real unless the human mind perceives it as being real. To Hegel, objective events are meaningless, only the mind's abstraction of them makes any difference. The universe is not made up of objects, only of ideas.

In Hegel's philosophy, no idea could exist without an opposite -- thus, light could not exist without dark, up could not exist without down, etc. An idea and its opposite are in conflict with one another - struggle and conflict are universal truths. There is always a primary idea, known as the thesis, which has as its opposite the antithesis. The two conflict until there is an eventual emergence of a new phenomenon, known as the synthesis. The synthesis becomes a new thesis with its own antithesis, and the process of change goes on in this fashion.

As has already been stated, Marx generally accepted this as being true. He did have some important modifications of his own that we will discuss now. He did not accept Hegel's contention that conflicting opposites exist only in the human mind. The thing (object) that the human mind perceives represents true reality. The thesis and antithesis were opposing forces that exist in both the social and the physical universe. Conflict is all pervasive. This is true for all relations, social, physical, biological, etc., of which the human mind is but one portion.

Marx was primarily interested in applying the dialectic to social phenomena. Within the social sphere, the basic thesis, antithesis, and synthesis struggle is carried out within the realm of society's mode of production - its economic realm. Other social realities emerge from this mode of production.

The major difference, so far, between Marxist and mainstream economics (at least in the United States) has been that mainstream economics looks for harmonious (equilibrium) forces to shape human destiny and to define change. Marx believed in equilibrium, but he felt that conflict was the nuts and bolts of peoples' futures. This difference carries through many of today's economic debates.

### Marx's interpretation of history

"The mode of production of the material means of existence conditions the whole process of social, political, and economic life." Human history comes out of the history of change within the mode of production. The laws that governed the operation of the mode of production act as natural laws. Marx wanted to understand what these laws were.

The mode of production means something much greater than the techniques of production. It includes the laboring class, the nature of land, the way in which a society organizes itself for material production, etc. The mode of production results from the interaction of all these individual elements and sets both the form and content of all society. Changes in any one of the elements of the mode of production will change the mode itself which will, in turn, cause changes in the rest of society. Only in this way can the history of "modern" civilization based on an exchange economy be understood.

"Not only social institutions but man's ideas and ideals spring from economic foundations." There is nothing in this statement that implies that non-economic forces never operate in an independent fashion. It only argues that the economic forces start the operation in motion. Certainly, after the economic mode of production starts the rest of the social relations in motion, these forces can, in turn, affect the mode of production.

### Marx and the theory of value

We now come to an extremely important part of Marx's analysis for our purposes.

Value in use, value in exchange, and price - Use Value is the pleasure or utility value. Exchange value is the value in terms of other commodities. Marx emphasized exchange value, so we will just call this "value". Although the two forms of value obviously relate to one another, exchange value is the more important in an exchange economy. If something has both value in use and value in exchange, it is called a commodity. Price is the measurement of the power of a commodity to command money.

Normal Value and Market Value - Normal value is the long run value of a commodity after all short run differences have been accounted for. Market value cycles around normal value as supply and demand conditions change. Normal value represents a type of long run equilibrium.

The role of labor in the determination of value - Marx and several others of his day felt that there must be some central source of value common to all commodities. This central source of value was seen to be labor - any human mental or physical effort. Since you can't add labor units of varying skills, Marx created a common denominator in terms of time. We will have more to say of this shortly.

Marx did not just count the labor that went in to the final production stages of an exchangeable product. He counted labor at all stages of production, including the labor that went in the production of machinery that was used to produce the final product (he called this "past labor").

Other topics regarding labor: Socially Necessary and Socially Useful Labor

Labor does not create value if it builds a worthless product. Also, it is not true that the more labor that goes in to the construction of a commodity, the more valuable the product is. It is only the socially necessary labor that is important - that is value determining - i.e., the average labor required to produce a commodity given the state of the arts. Also, it is not the past labor (socially necessary) that determines the value of a commodity, but the current level of socially necessary labor. Thus, once a commodity is produced, its true value is still subject to shifts from time to time.

One firm may be a leader in efficiency and gain some value if he/she can produce a commodity with less than the socially necessary labor time. How long this favored position lasts depends, in part, on how fast competitors catch on to these "advanced" techniques. (Pure Competition)

If social usefulness of a given quantity of labor is the determining factor for a product's exchange value, then the social usefulness of that labor time will be less if it is put into products that are not wanted. This would be reflected in the temporary market price of a product that is different from the normal price - that which reflects the level of socially necessary labor.

Other topics regarding labor: Labor time and value

Labor is expressed in terms of the common denominator of time. Socially necessary labor is the time it takes for an unskilled worker to produce a given commodity. If there are skilled laborers, they simply count as some multiple of the unskilled worker, i.e., if one skilled laborer can do in one hour what an unskilled worker can only accomplish in four hours, then the socially necessary labor of the product is four labor hours and the skilled worker does the equivalent of four hours of work for every hour he/she puts in. This product would exchange for the value of four socially necessary labor hours somewhere else.

Using all of the definitions presented above, Marx contended that the value of a commodity was something inherent to that commodity. Mainstream economics contends that the market determines value - Marx contends that it is value which controls exchange.

What about the other resources of production used by mainstream economists? We have accounted for machines (past labor). The entrepreneur is nothing more than a special form of labor (or an exploiter as we shall soon see). Land is valueless without labor to work it. "So far, no chemist has ever discovered exchange value either in a pearl or a diamond . . . Whatever exchange value they may acquire comes only after the application of labor to the natural materials, or in anticipation of the possibility of adding human labor to the natural materials."

What about money? Does money have some value unto itself? The answer is NO. Money is a commodity, and as such, its value is determined by the socially necessary labor time that went in to its production. Each product should, therefore, exchange for the same number of dollars as contain the socially necessary labor time equivalence.

Marx and the theory of wages

A wage is a price paid for labor power, not for labor. "By labor power or capacity for labor is to be understood the aggregate of those mental and physical capabilities existing in a human being, which he exercises whenever he produces a use value of any description." Labor power fits the definition of a commodity given earlier which can be separated from the person of the laborer and exchanged. It is the right to put a worker to work that is sold to the employer, not the productivity of the worker itself. The

employer then puts that power to work and obtains the use value of the worker's efforts.

The normal wage paid for labor power is the value of the commodity of labor power. How is the value of any commodity determined? By the socially necessary labor required to create it. This socially necessary labor is the amount of labor required to produce the means of subsistence for the worker including both the subsistence of the worker and the subsistence of the worker's family.

Wage differences based on skill were natural, since the subsistence of a skilled worker includes the education necessary to maintain and reproduce that skill. Marx was unclear on this point, but many recent authors also include under subsistence any good socially thought to be necessary - perhaps even television sets and automobiles. Marx seemed to be thinking mostly of physical subsistence.

#### An overview of surplus value

Remember that the value of a commodity is determined by the amount of socially necessary labor that goes into its production. Also remember that the total of all values resulting from a day's labor time is the exchange value for all of the commodities produced. However, the value of a day's labor power is equal to the subsistence needs of the laborer and there is no necessity that the workers will only produce enough value to just meet their subsistence needs.

The thing the laborer sells to the employer is his/her labor power - not his/her products. The employer, after purchasing the labor power for subsistence wages, can employ that power as he/she wishes - the employer is now the owner of that power! The employer is the one that specifies the length of the working day.

If the employer sets the length of the working day to be longer than the socially necessary labor to maintain subsistence for the worker, any value produced beyond subsistence becomes the property of the employer. The value above and beyond subsistence is known as surplus value. Marx contended that this surplus represents an unearned income. Surplus value is central to a capitalist society since without it there would be no reason for a capitalist to enter into production.

It is obviously to the capitalist's best interest that he/she maximize surplus value since it is this surplus value that sets the employer's standard of living and from which he/she can build the business towards gaining even greater amounts of surplus value. Marx subscribed to the iron law of wages, i.e., pure competition in the labor market. This has been somewhat modified by many of his contemporaries, as we shall soon discover.

Surplus value works something like this:

$A - B = C$  where:

A = the total commodities produced in a working day.

B = the commodities necessary to maintain subsistence.

C = surplus value. This value represents the exploited portion of the worker's labor - the portion where the worker is producing for the capitalist rather than for herself.

#### Some of the details of surplus value

Remember, the key to surplus value is that the capitalist purchases labor power but receives labor. He or she has to produce and exchange enough commodities to compensate for labor power but can then keep any of the produce of labor beyond that. This process of exploitation is inevitable within a capitalist framework. It is not the result of capitalists conspiring against the worker in any direct way. Rather, it is the result of the capitalist working in her/his own self-interest.

The capitalist's primary role is to supply money for production and to hire workers. As soon as he/she could, the businessperson would even give up the organizing and managing function to hired workers and simply sit back and manipulate funds for doing business.

Marx expressed the degree of exploitation in terms of percentages. Thus, the percentage of total earnings in the United States that goes to interest, rents, and profits, all property income, is equal to surplus value. Marx believed the calculation of profits as a percentage of all funds owned was misleading. He divides the capital used in production into two parts: "constant capital" which is fixed equipment and raw materials and "variable capital" which are the funds available to pay for labor power. The only really fair way to compute profits is to compute them as a percentage of the amount of variable capital. The return to the other form of capital is in the form of a surplus.

I should also make perfectly clear that surplus value does not stem from selling commodities at prices that are too high, nor does it come from paying workers at a rate that is below the value of their labor power. It is natural and is the heart and soul of capitalism, even when all goods are sold at their natural prices and when laborers are paid at the natural wage rate.

There are two ways in which the level of surplus value can be increased: Increasing the amount of time in

which the laborer is put to work, i.e., increasing the length of the work day. In most of his discussion, Marx emphasized this method. The second way worked through increasing the productivity of labor. Marx was certainly aware of this, but this has been one major area of contribution to Marxist analysis offered by his followers.

Machinery provides an addition to surplus value since it is, in fact, embodied labor power that is far more productive than raw labor itself. Marx even felt this would lead to longer hours in order to make maximum use of the available machinery. Technological progress obviously increases productivity. If the employer can get levels of production to pay for subsistence any quicker than before, then even with the same length of the working day, she/he can reap increasing amounts of surplus value.

Speeding the worker would bring the same results. The invention of the piece rate was seen by Marx as a major social invention to help this along.

It would not be fair if I didn't point out that capitalist exploitation is and was not the only form of exploitation through history.

Slavery and Serfdom

State capitalism (where the state takes on the role of the employer and is not run by the exploited)

In recognizing these, Marx also argued that in many ways they were to be preferred because the degree of exploitation was open and not hidden from view as is true under capitalism.

#### The accumulation of capital

We have already said that additional workers could be hired within a capitalist institution out of a fund of surplus value, but from where did the original surplus value originate? Prior to the advent of capitalism, the feudal system represented exploitation of each rung in the feudal social ladder was exploited by the next highest rung, with subsistence guarantees being handed down in return. The earliest process as feudalism gave way to a market economy was called "primitive accumulation."

Economic developments and the beginnings of the use of force by the most powerful in the feudal arrangement led to the expropriation of land along with the transfer of land into new forms of production - namely sheep raising for the textile industry. With the transformation of land from almost a garden plot system to one of grazing - requiring larger, integrated plots of land - serfs were uprooted from their homes and forced to offer their service for hire to others in order to live.

Thus emerged two distinct social classes; those offering themselves for hire (the proletariat) and those hiring (the capitalist). The early capitalists were previously the lords, Dukes, Earls, or other middle and upper echelons of the old social structure. With the changing structure of their society, they began to pay and take tribute in the form of money instead of commodities.

This became especially important as nation building and the resulting violence took place and armies had to be raised and paid for. Those engaged in expropriation would content themselves more and more with the commodity money, thus the beginnings of capital accumulation. As nations were built, those favored with the power to expropriate became the leaders of the emerging money and merchant class.

Capital, in Marx's definition, represented money earmarked for labor. Increases in capital could only come about through increases in surplus value or in the amount of the existing surplus value appropriated for this purpose.

There are two forms of capital: constant and variable. Constant capital is paid for labor embodied in the machinery of capitalist producers. Variable capital is available for purchasing current labor power. Each amount of capital of these two types comes out of surplus value and, in turn, each outlay brings in additional amounts of surplus value, in a never ending spiral of capital accumulation.

It works something like shown in Figure 1:

Initial Capital ⇒ Constant, Variable ⇒ Production ⇒ Exchange ⇒ Surplus Value ⇒ Capital



### Figure 1: The Capital Accumulation Process

The initial capital in the primitive accumulation process came from a number of sources to be discussed later. This initial capital was divided between constant and variable capital (machines and labor). Out of this came production, the creation of value. Production under capitalism was for the purpose of exchange where values are traded for one another. Out of exchange comes the wages for labor, as described earlier, and surplus value. This surplus value became the new source of capital, which is then divided between constant and variable capital, and on the process goes. Through this accumulation process, growth becomes endemic to capitalism, one of capitalism's virtues according to Marx.

#### **The Consequence of Capitalism**

We have already said that the earliest result of primitive accumulation is the division of the population into two great classes, the capitalist and the proletariat, those that hire and those that are hired. This should not be taken to be entirely negative, however. It arose out of a highly classed society that preceded it.

This earlier society was structured along the lines of the feudal lord, the vassal, the guild master, the journeyman, the apprentice, and the serf. Capitalism did not do away with class antagonisms, but it did have the effect of concentrating them into these two great classes.

These two classes have interests that can be quite clearly distinguished, one from the other. The gulf between the two classes was seen to grow (as will be explained shortly). With this increasing gulf, class consciousness will begin to emerge within the proletariat, which is the first and perhaps most necessary step to the demise of the capitalist state.

One of the primary tenants of the Marx class consciousness is that, as long as capitalism persists, all surplus value would accrue to the capitalist. The proletariat could never improve their relative position in the scheme of things, they could at best continue to exist.

The primary nature of the bourgeoisie class is that their income is derived from ownership and not from production. There were lesser bourgeoisie which identified only weakly with the dominant portion of the class. They are the ones that still supply a significant portion of their own labor power to the operation of their firm. They would be quickly swamped in head to head competition with the dominant members of the class.

The bourgeoisie were described as far from the conservative, status quo individuals we now describe them to be. During the primitive accumulation phase of capitalist society, these individuals put an end to the dependence of classes on one another by religious dictate and custom. By tearing the traditional society apart, they set in motion the forces of science with the vastly increased productivity that science implied. These were dynamic leaders interested in and capable of effecting change towards the material enhancement of the world.

Capitalism shifted exploitation from early slavery and serfdom to one of economics in its pure form. It also made exploitation present itself in its most brutal form - the purchase of one person's talents by another. Through expanded trade and exchange, the bourgeoisie brought differing peoples closer together and laid the basis for a commonality of interests between the working people of the world. In spite of these "contributions," the bourgeoisie set in motion the forces that would lead to their destruction. They brought the opposite classes under one roof where class consciousness could flourish and transpire among the workers. They provided the communication means by which the proletariat could heighten class awareness outside the factory. In order to foster imperialism (again to be discussed shortly), the bourgeois hired the proletariat to fight wars - training them and arming them for the eventual revolution.

#### *The State as an agency of oppression*

In the first place, the state is more than a political organization or a government, it is the agency that possesses a special public power of coercion, ". . . which in the form of an armed organization, stands over and above the population." The state in this form would have no reason for existence unless there is also in existence something or somebody that needs to be subjected to the authority of that power. The state is controlled by and is ultimately in the possession of the class that is dominant within society at any particular time.

The state then, regardless of the specific form of government organization, is really a dictatorship of one class in society over another. The particular form of the state is determined through the mode of production so that, when a dominant economic class emerged through primitive and eventual capital accumulation process, the state grew along side of this earlier development.

The highest form of the state is to be found in the democratic republic. Within this republic, there is no official designation of class or property interests. Wealth, however, wields its influence and power indirectly through this republic - but extremely effectively. These indirect controls are often manifest

through the direct corruption of government officials. Control also comes due to the alliance between government and the country's stock exchange because, as public debt increases, it is linked to the same financial world that relates to the stock exchange itself.

There is also the inertia factor. So long as the oppressed class is not conscious of its status, it will come to think of the existing order as being the only possible one. Thus, the oppressed are allowed every few years to decide on the selected representatives of the oppressing class.

#### The condition of the proletariat

Remember that we stated earlier that any increase in industry or productivity would accrue to the capitalist since he/she can now produce the required subsistence for the worker in fewer hours than previously. We can think of capitalism as a system that continually tries to increase productivity. This would mean that the workers would have (posses) a continually declining share of the total economic wealth. This also means that the vast bulk of the proletariat will be living in increasing misery, not in an absolute sense, but in relation to the rest of the economy (the bourgeois).

As growth occurs within a capitalist economy, the demand for labor will not grow at a proportionate rate. There will be increasing population, somewhat in response to the total growth rate, which will assure a population of workers sufficient to keep the wage down. The result is a system need for a constant and natural rate of unemployment. Marx termed the unemployed as the "Reserve of Labor". The Reserve of Labor arises in part due to the lagging demand for labor with respect to the to the total growth of the economy.

There is the added feature that, as capitalist development continues, more and more capital moves into the constant capital category. This means that a lessor amount will go into hiring labor directly. Machinery increases efficiency and, therefore, the possibility for surplus value.

In effect, this is technological unemployment of the type we often hear about today - the substitution of machines for manpower.

#### The declining rate of profits

This is one of the more technical aspects of Marxist thought.

Let capital letters represent stocks, lower case letters represent flows, and primed letters represent ratios per unit of time.

C represents constant capital; c represents the depreciation rate on this constant component of capital.

V represents variable capital; v represents the wage flow paid for variable capital.

K represents total outlay stocks (working capital); k represents the flow of outlays.

$k = c + v$  and  $K = C + V$ .

Surplus value is the gross receipts over variable costs when expressed on a flows basis. For the economy as a whole, it is the excess of net national product over the wages bill.

$$\text{GNP} = C + V + S$$

$$\text{NNP} = C + S$$

The rate of surplus value:  $s' = s/v$

In addition, Marx defined something that he termed the organic composition of capital.

$$q = c/(c + v)$$

He often expressed it as  $c/v$ , or the ratio of machine costs to labor costs.

In addition, Marx had an expression for the rate of profits on capital invested under the assumption that the capital turns over once a year: or  $p' = s/(c + v)$ .

Now for the law of the declining rate of profit. The rate of profit was presented by Marx as varying inversely with the organic composition of capital and directly with the rate of surplus value:

$$p' = s/(c + v) = s'/(q + 1)$$

If the durability of the two forms of capital (constant and variable) are not always for one year, as the above equations imply, then  $p' = s'/Q$  where  $Q = (q + 1)d$  and where d is a weighted average of the durability of c and v. This indicates what should almost be common sense, that any increase in the turnover rate of capital (a reduction in capital's durability) increases the rate of profit.

Now, let's take the expression  $p' = s'/(q + 1)$  and make  $q = c/v$ ; then  $p' = (s/v)/(c/v) = 1$ . If  $s/v$  is relatively constant (Marx felt that it had at least an upper limit), then a steady rise in c relative to v would be accompanied by declining rates of  $p'$ . So, even as capitalists strive to increase productivity by increasing the capital to labor ratio, they are putting into their system a contradiction - in trying to increase their rate of

profit, the rate actually falls.

There is only one way in which the capitalist can respond to this. He/she can only further exploit labor in an attempt to reaffirm his/her previously hoped for rates of profit.

Marx was relatively weak in his explanation as to why  $s'$  would not increase along with increases in the organic composition of capital. If  $q = c/v$ , then he is saying that capitalist development pushes the bourgeois to increase  $c$  over  $v$ . But surplus value comes only from  $v$ . Therefore, the property owners are in a relative sense lowering the proportion of your value creating resource in the production process. The problem is that capitalists are increasing  $c$  so that labor will be more productive, and anything that makes labor more productive will also increase the rate of surplus value. We will return to this with some of Marx's modern critics/defenders and their views of the declining rate of profit.

#### Capitalists Business Cycles

Some argue that the tendency towards a falling rate of profit is not a necessary and sufficient condition for the crisis of capitalism. Marx gives much discussion along these lines to the business cycle that he felt was central to capitalist economies.

Each individual producer has an incentive to maximize output levels (quite different from mainstream thought) since these sell for the value to be paid to workers plus the surplus value the capitalist keeps. Whereas this is logical from many individual producer's point of view, it can be disastrous from the point of view of an industry.

As a matter of fact, what we have occurring is that workers are paid at a constant rate (subsistence), they are slowly replaced by machinery, and more and more of the economy's wealth goes into the hands of the wealthy (with a very high propensity to save). The result is that aggregate supply outstrips aggregate demand. In other words, overproduction has occurred. Industry cuts back in order to get rid of the surpluses (at a great cost to the worker) and recession (depression) sets in. Each recession (depression) adds to the reserve of labor some permanent membership, both due to the loss of some capitalists that are eliminated by the crisis and due to the structural nature of unemployment.

Marx felt that these crises would become more and more severe over time due to the expansion of output over time. We will read some contemporary thought on this to an expanded degree.

#### The Concentration and Centralization of Capital [ the growth of monopoly capitalism]

The falling rate of profit, the need for ever expanding rates of accumulation, and the constant tendency for overproduction all lead to increasing competition among the capital owners. In competition, be it physical, biological, or social, only some survive the struggle, while the weak will be eliminated or swallowed up by the strong.

Credit becomes one instrument of this competition, placing a clear advantage upon those that can afford to grant it (or command it). At any rate, one capitalist kills many.

There are two phases of capital concentration:

1. Concentration proper - which refers to the process of most newly produced capital gravitating into the hands of relatively few capitalists, transforming them into large scale production units.
2. Centralization of capital - the concentration of control over capital that is already formed. This kind of phenomenon occurs through the process of merger and acquisition.

#### The Role of Finance Capital

As competition among the capitalists becomes more and more intensive, there emerges a bigger and bigger role for finance capital. Finance capital first dominates the national markets, bestowing competitive advantages on many individual enterprises. It is not long, however, before finance capital takes on international dimensions, linking the world in a web of finance that shifts from country to country and that promotes the ever quickening tendency for capital to accumulate into fewer and fewer hands.

In effect, the finance capital joins with the existing production capital to enhance world monopoly domination and this alliance creates a financial oligarchy that is even independent of national (state) governmental controls. Finance capital itself reaps a return for the owner, she/he is now not only gaining wealth from surplus value that stems from production, but he/she is earning a monopoly surplus value that stems from the ability to control credit. Any last links that may have existed between the capitalist and actual production are now severed, once and for all.

#### Capitalistic Imperialism

Eventually, as was mentioned briefly above, finance is exported rather than commodities. International corporations (Marx called them combines) begin to emerge, which divides up the world into no-competing

territories. International collusion emerges as a dominant theme of these corporations. Nations will go to war in order to obtain and control the sources of this monopoly surplus value.

Weaker nations will be dominated by corporations and the dominant countries and will be relegated to providing resources and providing markets for capitalist excess production. The labor force of these weaker countries will provide the necessary Reserve to exert worldwide downward pressure on wages. These become the final contradiction of capitalism, with finance capital monopoly and with capitalistic imperialism imposed by this form of organization. All loyalties to progress and technology are lost. All of the benefits that could be realized from this stage in the dialectic have been realized. The system has served its purpose.

### **After Capitalism**

The capitalist state, by now hopelessly caught up in its wars of capitalist imperialism, disintegrates and breaks up. Along with the break up of capitalism comes the breakup of the political state. The proletariat now have the possibility for seizing power and establish its own oppressive state (oppressive to the former capitalists, and do the following:

1. liquidate capitalist property,
2. liquidate capitalist institutions, and
3. eliminate surplus value.

There would result from this a new communal psychology which would permit the liquidation of the proletarian state and its own agencies of oppression. "Each person would be motivated to work in accord with his full capacity and to consume from the common product merely in accord with his needs. The era of full communism would be ushered in."

### Some of the details of this

The state is the instrument of oppression under the capitalist system. It has the means to defend that system. So, in order to gain control of the economy, the proletariat must first gain control over the state. One thing that has caused many a Marxist group problems has been the great debate over whether this overthrow must be by force or whether advanced capitalism is so full of contradictions that it simply falls apart on its own.

Marx does talk about force in terms of its position in history - the process of primitive accumulation was a process born of force. I would like to caution you, however, on the difference between revolution and insurrection. With the possible exception of the industrial revolution, most causes born of violence are called revolutions when they are, in fact, insurrections - the trading of leadership with no real change in the state.

When the proletariat take over, they will use the state to oppress capitalist thought and ideals. The communal philosophy will be encourage through all institutions and ideals of the new system. Only when the communal philosophy has taken over as the dominant ideal of the system can the state be eliminated. Once communal views are dominant, the need for one class to dominate another disappears.

One thing is not clear from Marx's writings and is still quite controversial among Marxist scholars. Is this the final stage of societal development? Both Marx and Hegel believed that history was progressive, i.e., each stage was an advance over the previous stage. Certainly Hegel felt that the dialectic would end with perfection. The human mind, according to Hegel, would eventually evolve to a god-like condition often discussed in Star Trek (just checking to see if you read this far and if you are a Trekie.)

Yet Marx emphasized the all pervasive condition of change, which certainly implies new contradictions under the new system. Could it be that he simply did not want to speculate on what these conflicts might be? After all, he devoted most of his effort to the understanding of a still emerging market driven system. Perhaps he just couldn't see the details of the new conflicts that would bring about the next change.

Finally, it should be emphasized that Marx did not feel that capitalism was an anomaly in history. It was a necessary condition to history's advance. No other system, including his replacement of capitalism, would be as growth oriented and as efficient as capitalism. It was capitalism's role in history to invent the machines and processes that would make the end of human material degradation a thing of the past. As it played out its role, the conflicts within the system would help destroy it and bring about the new system that is better yet.

We will have much to say of this as we move through the course.