

DID KARL MARX'S "TURN" THE ORIGINAL SOCIAL THEORY OF CLASS STRUGGLE?

Cameron M. Weber
Independent Scholar
cameroneconomics.com

DRAFT: 2 January 2023

Abstract

In this research I compare and contrast the class-struggle social theory of *industrielisme* in the writings of the French liberals around the *Le Censeur Européen* (1817-1819) with that of Karl Marx's historical materialism. There are many similarities. Both use concepts of historical development and path-dependency, productive and unproductive labor, of exploitation, and of the necessary primacy of the market under capitalism to bring human freedom. Using *Theories of Surplus Value* (1860) and available correspondence I show that Marx knew about and respected the French liberal historians and political economists, especially Turgot and Augustin Thierry. It would be conjecture to say that Marx "turned" the original French liberal class struggle, that of free and productive man as exploited by the unproductive state, into his own labor as exploited by capital but we do find and present evidence to this effect.

Key Words: Political Economy, Karl Marx, Turgot, French Liberals, Class Struggle, Capitalism, Path Dependency, Exploitation

JEL Codes: B12, B14, D31, P16, P32, Z13

DID KARL MARX'S "TURN" THE ORIGINAL SOCIAL THEORY OF CLASS STRUGGLE?

This is an essentially different conception from that of the bourgeois political economists, themselves imprisoned in capitalist preconceptions, who are admittedly able to see how production is carried on within the capital-relation, but not how this *relation* is itself produced, and how at the same time the material conditions for its dissolution are produced within it, thereby removing its *historical justification* as a *necessary form* of economic development, of the production of social wealth.

- Karl Marx¹

INTRODUCTION

This paper presents historical evidence of Karl Marx's "turn" of the original French liberal social theory of the class struggle of the early 19th century, with the thesis being that Marx turned, like Hegel's philosophy, this original theory of the class struggle on its head. Although Marx does not reference any of this original work in his published writings during his lifetime, I will trace a historiographic map which shows that Marx both knew about, and respected, this work. In addition I will show the many similarities between Marx's and the French liberal theories of historical and economic development.

I will also in this paper propose that Marx had to reconstruct the original formulation of the class struggle because of his philosophical pre-analytical predispositions which then helped to form his sought after metaphysical teleology. The "turn" of the class struggle then co-determines the formation of his economic theory of value and his system of scientific socialism. The goal of the paper is to ground a critique of Marx's work itself and its antecedents, and not to address post-Marxian thought.

OVERVIEW OF MARXIAN AND FRENCH LIBERAL METHODS

In Figure 1 we find that the Marxian and French liberal visions share similarities and differences about the capitalist stage of history. The two visions are similar in that both visualize society as an historical formation and predict a diminution in the size of the state in historical development as leading to an increase in human freedom. Whereas as the ends in these apposite visions appear to be the same, the means could not be more different.

¹ Marx [1861-1864], 493.

The French liberals (Comte, Destutt de Tracy, Dunoyer, Thierry, Turgot and sometimes Say) write that value is subjective, that individually- and socially-constructed subjective utilities are realized through supply and demand in the market, and that there is mutual gain from exchange. Marx's system on the other hand is one where economic value is objective and created through the exploitation of labor, that there is a conservation of value in exchange in a natural value formulation, and demand is culturally and historically rather than predominately subjectively determined.²

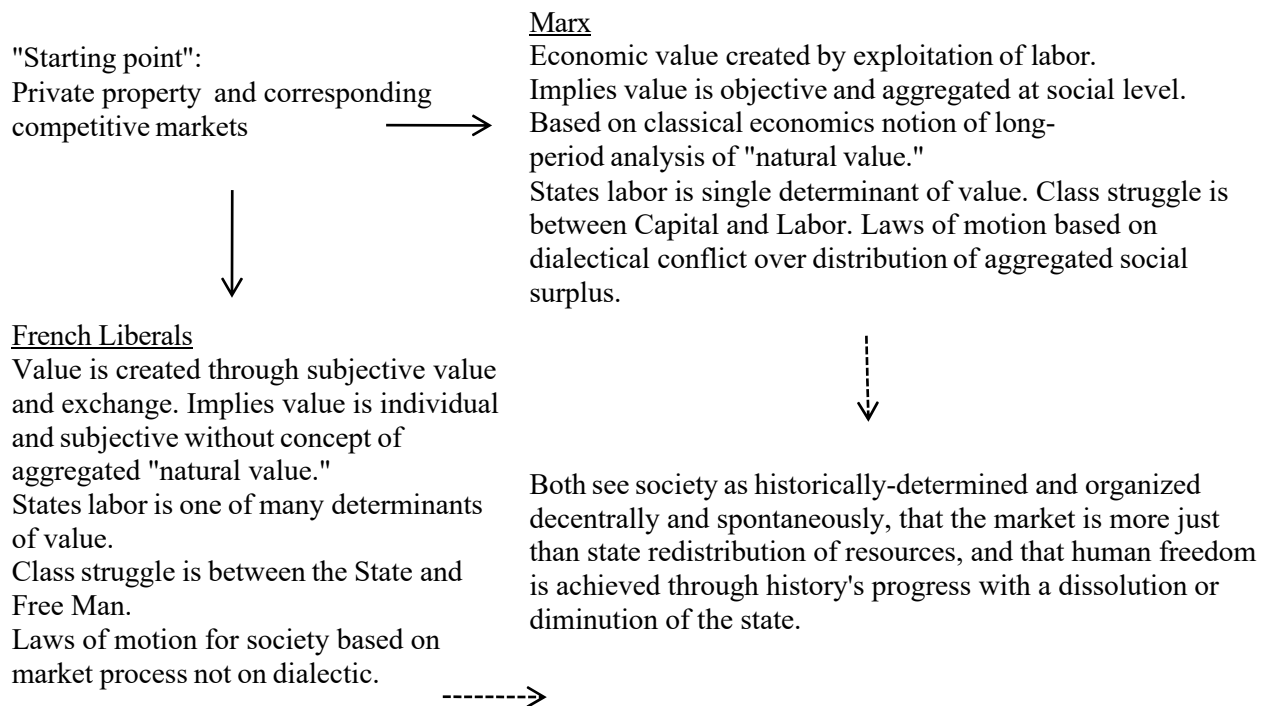


Figure 1. Heuristic on Marxian and French Liberal Pre-Analytical Visions for Capitalism

² Marx writes that his system of objective economic value is based on the laws of physics, which during Marx's time was based on the conservation of energy. "In considering such transformations it is always necessary to distinguish between the transformation of the economic conditions of production, which can be determined with the precision of natural science, and the legal, political, religious, artistic or philosophic, in short ideological, forms in which men become conscious of this conflict and fight it out" (Marx 1859, 4). We note there is no space for mutual gains through human exchange if value can only be conserved phenomenologically and not expanded subjectively as in the French liberal pre-analytical vision.

The predominant similarity, as argued in this paper, is that the pre-analytical visions of both Marx and the French liberals are non-Panglossian; that the world is not perfect as it is, that there is indeed a problem with society as it is, this problem being man's exploitation by man through a class struggle. For Marx the problem is the exploitation of the worker by capital (through the capturing of the social surplus), whereas for the French liberals it is the unproductive state which exploits industrious man through the taking by force of the productive forces of society. Finally and importantly both Marx and the French liberals view history's march as evolutionary, and at times, revolutionary, progress.

In the next section we delineate Marx's system of scientific socialism as based on his philosophical pre-analytic dispositions. As much of this is well-travelled territory we will be as brief as possible, but this exposition is necessary in order to show why Marx had to "turn" the original French liberal social theory. After introducing Marx's system of scientific socialism we move on to the critique of Marx's social theory relative to the French liberals, showing first commonalities then divergences.

ORIGINATION OF THE MARXIAN CONCEPT OF SOCIAL SURPLUS

Scientific socialism

Marx developed what is seen by some Marx scholars as an internally-consistent system of scientific socialism, said socialism being the result of a dialectical progress of unsustainable stages of history leading up to communism.

Marx's system was based on a theory of history, historical materialism, which states that stages in the history of human development can be best understood by evaluating the property relations at any given stage of history. These property relations are the social relations of production. The social relations of production are the predominant determinant in defining the modes of production for any given stage of history (in the capitalist stage of history where private property and market relationships predominate, the predominant mode of production is wage-labor in a factory system; in feudalism, agriculture production by a serf-class, in Greece and Rome - the ancient stage of history – the ownership of slaves and slave labor is the general, predominant, mode of production).

The thesis and antithesis of any period of history (in capitalism, the thesis and antithesis is the working-class contra the capitalist class, an unsustainable class struggle) play themselves out as history progresses into a synthesis, and this synthesis brings with it a new stage of history and a new dialectic, and thus a new set of moments (the moment being the surface appearance of the underlying dialectical essence) creating historical movement. This is Hegel's march of history. However counter-juxtaposed with Hegel, Marx taught that history was a march of material, economic, forces, not a march based on a dialectic of opposed ideas or idealism. Both Hegel and Marx though, it might be argued, saw this historical march as one towards human freedom.

Marx in his *Preface to a Contribution to the Critique of Political Economy* states that the reason he turned to the study of political economy, away from and after the study of philosophy, is because he believed that it was economic forces which controlled man's destiny.

My inquiry led to the conclusion that neither legal relations nor forms of state could be grasped whether by themselves or on the basis of a so-called general development of the human mind, but on the contrary they have their origin in the material conditions of existence, the totality of which Hegel, following the example of the Englishmen and Frenchmen of the eighteenth century, embraces the term civil society; that the anatomy of this civil society, however, has to be sought in political economy (1859, pp. 2-3).

In his subsequent economic writings then Marx is considered canonically as a classical ‘political economist,’ meaning, definitionally and historically, as an economic writer who came before the marginal revolution in economics of the 1870s. (Marx’s self-acknowledged predecessors in political economy are most fundamentally Adam Smith, David Ricardo and John Stuart Mill.³) As a classical political economist then he sought after a long-term measure of value for commodities that are traded in an economy, a natural value around which market prices gravitate and a said natural value which emerges only in the long-term.⁴ Marx then, as is well known, settled on the labor embedded in a commodity as this measure of natural value.

This labor-embedded natural value then fits into Marx’s larger system of historical materialism for the capitalist stage of human development.⁵ While Ricardo had a ‘93% labor theory of value,’ Marx, when adding the class struggle of the capitalist class exploiting the working class, devised a similarly cost of production-based theory of value where all value in production originates from labor, with the rate of exploitation of the worker (value created by the worker above and beyond the wage received by the worker) accruing to the exploiter class, the capitalist, depending on how much the capitalist could exploit the worker. The greater the exploitation of the worker, the greater the profit to the capitalist.

Marx’s system is one of political economy and not one of economics (here defined as limited to the analysis of the distribution of a given set of resources and consumer preferences, a given starting point in a Walrasian system) because Marx used political economy to describe history’s march. This march is one where the increasing exploitation of the worker, who receives only a historically and culturally-determined subsistence wage, leads to increasing wealth on the part of the capitalist (as a class) relative to the worker (as a class), capital then becomes concentrated and centralized (resulting in a growing ‘army’ of oftentimes unemployed labor as previous capitalists lose their capital and become part of the working class). Thusly and finally a revolution against the remaining capitalist class takes place by the increasing numbers of the exploited and immiserated working class.

³ In fact it might be more accurate to say that Marx was a critic, not necessarily a devoted follower, of the classical economists, although he used many of the classical ideas (particularly natural value and the long-period, competition and a class-based analysis of macroeconomic distribution) to build his own system. For Marx as a critic for example see Chapter 51 of Volume III of *Capital* which is a critique of J.S. Mill, despite Mill being a leader of ‘progressive’ and pro-labor thought during his time.

⁴ We note here a challenge in language between goods and commodities in economics, the former maybe more subjective and more difficult to measure.

⁵ Smith has as his stadial history hunter-gatherer tribes, primitive agriculture and animal husbandry, feudalism, and the commercial stage of development, while Marx has the Asian, ancient, feudal and modern bourgeois [capitalist] stages or epochs (Marx 1859, 4). As we shall see later perhaps the first to use stages of history as an analytical device is Turgot in 1750.

Along with the constant decrease in the number of the capitalist magnates, who usurp and monopolize all advantages of this process of transformation, the mass of misery, oppression, slavery, degradation and exploitation grows; but with this there also grows the revolt of the working-class, a class constantly increasing in numbers, and trained, united and organized by the very mechanism of the capitalist process of production. The monopoly of capital becomes a fetter upon the mode of production which has flourished alongside and under it. The centralization of the means of production and the socialization of labor reach a point at which they become incompatible with their capitalist integument. This integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated (Marx 1867, 292).

This revolution leads to a new form of the State (one where the majority rules over the minority, counter to the trend of history); the dictatorship of the proletariat (socialism). This new form of the State, socialism, destroys the capitalist stage of history and the capitalist stage's social relations of production. Socialism then leads to communism, a classless society, after a transition period and cultural lag due to a necessary consciousness-raising on the part of the now predominant working class which allows State power to wither away due to communal feeling. Man is now free from exploitation by man under communism and material distribution is communally (socially) and not privately-based.

When, in the course of development, class distinctions have disappeared, and all production has been concentrated in the hands of a vast association of the whole nation, the public power will lose its political character. Political power, properly so called, is merely the organized power of one class for oppressing another. If the proletariat during its contest with the bourgeoisie is compelled, by the force of circumstances, to organize itself as a class; if, by means of a revolution, it makes itself the ruling class, and, as such sweeps away by force the old conditions of production, then it will, along with these conditions, have swept away the conditions for the existence of class antagonisms, and of classes generally, and will thereby have abolished its own supremacy as a class.

In place of the old bourgeois society, with its classes and class antagonisms, we shall have an association, in which the free development of each is the condition for the free development of all (Marx 1848, 32).

The philosophical foundations of Marx's system

Marx's historical materialism, where temporally irreconcilable forces create movement toward another, more free, stage of history, is based on the writings of Hegel, whose 'continental' philosophy it might be said was a reaction against the individualism of the Scottish Enlightenment. For Hegel it was not in fact natural law and the rights of man which created human freedom. Man was a communal person, a social person, a species-being, whose true essence could only be found in uniting with what Hegel called the Other. It was only a change in human nature or a change in consciousness which could negate, subsume and transcend the Other and thus achieve a higher stage of human existence.

This idea of alienation in Hegel came from his belief that God's creation of nature (including man) was of itself an act of alienating man from God, this then resulted in Hegel's social theory of mind where only a collective, social man, can reunite man with God. This is of course the antithesis of Enlightenment thought and orthodox Christianity where redemption and

reunification with God is an individual redemption and where it is natural rights and the Golden Rule which guide moral conduct on earth and which then determine an individual's personal redemption based on his or her (individual) earthly conduct towards other individuals.

Following Hegel Marx also believed that man was separated from himself, his species-being, by limits of consciousness. Hegel said that man placed these limits upon himself through his mental or ideological processes. Marx said the opposite (turning Hegel on his head) and believed that it was man's material, economic, surroundings which prevented the rising of collective consciousness and allowing man's unification of his alienated-self with essence-self. In material terms this alienation under capitalism manifests itself in the economic division of labor. In one of Marx's most well-known passages (from the *German Ideology*) we can see how this alienation would be resolved under communism where a person was free (by becoming a communal species-being, or actually by realizing his species-being) to do as they please without the need to earn a living under the capitalist system by specializing in any one activity. It is only by giving up ourselves to the communal that we can gain control of ourselves.

Further, the division of labour implies the contradiction between the interest of the separate individual or the individual family and the communal interest of all individuals who have intercourse with one another. And indeed, this communal interest does not exist merely in the imagination, as the –general interest, but first of all in reality, as the mutual interdependence of the individuals among whom the labour is divided. And finally, the division of labour offers us the first example of how, as long as man remains in natural society, that is, as long as a cleavage exists between the particular and the common interest, as long, therefore, as activity is not voluntarily, but naturally, divided, man's own deed becomes an alien power opposed to him, which enslaves him instead of being controlled by him. For as soon as the distribution of labour comes into being, each man has a particular, exclusive sphere of activity, which is forced upon him and from which he cannot escape. He is a hunter, a fisherman, a herdsman, or a critical critic, and must remain so if he does not want to lose his means of livelihood; while in communist society, where nobody has one exclusive sphere of activity but each can become accomplished in any branch he wishes, society regulates the general production and thus makes it possible for me to do one thing today and another tomorrow, to hunt in the morning, fish in the afternoon, rear cattle in the evening, criticise after dinner, just as I have a mind, without ever becoming hunter, fisherman, herdsman or critic. This fixation of social activity, this consolidation of what we ourselves produce into an objective power above us, growing out of our control, thwarting our expectations, bringing to naught our calculations, is one of the chief factors in historical development up till now (Marx 1848, 13,14).

The “social” surplus

The communal, or social, philosophical pre-disposition defining freedom is carried-over into Marx's economic writings and his (and Engel's) system of scientific socialism. If we view society or the economy, as Marx and the other classical economists did, as first a system which reproduces itself, then anything beyond this material reproduction represents a surplus.⁶

⁶ We can use Marx's concept of necessary and surplus product to help us define reproduction and surplus in this formulation. Reproduction would be the necessary product and surplus the surplus product.

$$\text{Reproduction} + \text{Surplus} = \text{Economy (Society)} \quad (1)$$

Then, because man's essence is only realized in its social, communal, self, and because man's social consciousness is held sway by the fetters of materialism this surplus then pre-analytically becomes a social surplus.⁷

$$\text{Reproduction} + \text{Social Surplus} = \text{Economy} \quad (2)$$

From here we can view the foundations for Marx's system of economic value. Unlike the French liberal view which says that the surplus (profit) belongs to the entrepreneur whose creativity (and perhaps luck) provides economic goods of subjective value to those that wish to buy them or exchange for them, we have a system where the surplus is one which belongs objectively to social man and not to an individual entrepreneur creating subjectively-demanded value.⁸ For Marx then the challenge is to create a system which, 1) allows a revolutionary agent to bring about the new, State-less, stage of history, and 2) can identify the source of the social surplus. Logical and philosophical necessity creates the exploitation of labor (the change agent) by capital (against which the change agent reacts) with the source of profit (surplus value) being said-same labor.¹⁹ Social man necessitates a social surplus, capitalism necessarily makes this surplus private and only a revolution based on uniting a private man with his social self can bring freedom to alienated (private) beings under capitalism.¹⁰

⁷ By labeling the surplus as social Marx defines away one of his own determining conditions of the capitalist stage of human (pre-) history, private property, but this definitional device is essential in order to make capitalist exploitation of labor a social problem to be alleviated under communism. We can also find Karl Marx's preference for social analysis in his concept of utility. In correcting the manuscript for *Poverty of Philosophy* prior to publication, Marx inserted the word social in this sentence, "In a future society, in which class antagonisms will have ceased, in which there will no longer be any classes, use will no longer be determined by the minimum time of production; but the time of production devoted to an article will be determined by the degree of its social utility" (Hollander 2008, 91).

⁸ Remember in Marx's historical materialism, where man's ideas are formed by the superstructure determined by the social relations of production, any independent thought is not creativity *per se* but ideology, therefore there appears no room (zero degrees of freedom) for entrepreneurial discovery to manifest itself into societal value. All value is created by exploitation of labor and not by individual ingenuity. This is of course diametrically opposed to the French liberal view where exchange itself, and the creative act of producing goods for catallactic exchange, is what brings (expanding) value to a free society.

⁹ This explanation for the development of Marx's labor-based economics is not meant to deny that Marx's sympathy for the wage-laborer in the factory system of the mid-19th century played a role in his pre-analytical vision. Additionally Marx's idea of the necessity of revolution might derive from one of his historical heroes, Spartacus, who led a massive slave revolt against the Romans who of course appropriated the output of slaves.

¹⁰ Marx's disdain for private property, supply and demand and the free-market is brilliantly and concisely expressed in *The German Ideology* (1845-6, 14).

How otherwise could for instance property have had a history at all, have taken on different forms, and landed property, for example, according to the different premises given, have proceeded in France from parcellation to centralisation in the hands of a few, in England from centralisation in the hands of a few to parcellation, as is actually the case today? Or how does it happen that trade, which after all is nothing more than the exchange of products of various individuals and countries, rules the whole world through the relation of supply and demand – a relation which, as an English economist says, hovers over the earth like the fate of the ancients, and with invisible hand allots fortune and misfortune to men, sets up empires and overthrows empires, causes nations to rise and to disappear – while with the abolition of the basis of private property, with the communistic regulation of production (and, implicit in this, the destruction of the alien relation between men and what they themselves produce), the power of the relation of supply and demand is dissolved

COMMONALITIES AND DIVERGENCES IN MARX AND THE FRENCH LIBERALS¹¹

In Figure 2 we have traced Marx's references to the French liberal roots of social thought, which include all of the elements later found in Marx's system of scientific socialism.¹² The most comprehensive and systematic writings on the French liberal social theory are found in the journal *Le Censeur Européen* from 1817 to 1819 by Charles Comte, Charles Dunoyer and Augustin Thierry, in which they outline their social theory as one called "industrialisme." Industrialisme is a two-class social theory¹³ where the productive members of society are exploited by the unproductive members of society. Under capitalism those who trade freely with each other absent coercion or special State privileges are the productive class and the unproductive forces in society (the State under capitalism) live off the productive forces through coercion.

I have not been able to trace Marx's direct use of any of the *Le Censeur Européen* articles. I have found evidence however that Marx used the work of Thierry in his studies of political economy, whose writings in *Le Censeur Européen* included lengthy book reviews of works by Antoine Destutt de Tracy and J.B. Say, whose work Marx cites directly, as he does Comte, in his published work. As we shall see both Turgot, whose works Marx references and comments upon in *Capital* and, especially, *Theories of Surplus Value* (1860) preceded Marx in an economic and social theory of historical progression from primitive man through capitalism, and, ultimately, to freedom.

into nothing, and men get exchange, production, the mode of their mutual relation, under their own control again?

It should be noted that this disdain is only in relation to Marx's teleology. Marx, as is made clear throughout the *Communist Manifesto*, wrote that only the market under capitalism would create enough wealth to enable the revolution (and the beginning of history) to take place.

¹¹ The research in this section is based on the work of Raico 1977 and Rothbard 1995, however, these authors did not cross-reference their research to the writings of Marx nor do a systematic comparison of scientific socialism with that of the liberal French political economists as conducted in this paper and in this section in particular.

¹² Figure 2 can read as follows. Marx references Destutt de Tracy and Turgot in both *Capital* and *TSV*, discusses Thierry in correspondence with Weydemeyer and Engels, and references Comte in *Capital*. Comte and Dunoyer publish the *Censeur Européen*. Say is referenced by both Comte and Destutt de Tracy (and Marx in *TSV* it should be noted though we are not considering Say as a writer Marx respected). *Censeur Européen* writings share many family resemblances with historical materialism.

¹³ The French liberal social theory is a theory and not a system in the sense of classical physics because energy is not conserved in exchange, there is an increase in subjective utility through social exchange.

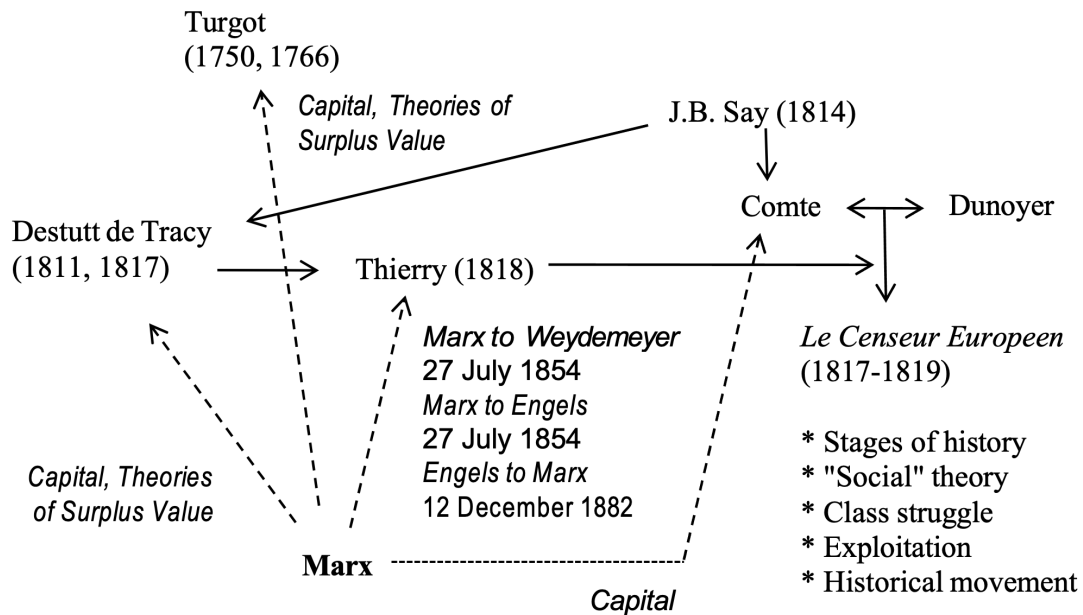


Figure 2. Karl Marx and Historiography of French Liberal Class Struggle in Political Economy

The French liberal social theory can be summarized as follows. The stages of history are analyzed through the two-class lens; the power elite, through plunder, becomes the dominant class in society through to the capitalist stage where the State is the unproductive exploiter class. In capitalism the State maintains its power through the coercive taking (mostly taxes, the granting of monopoly rights, trade barriers and subsidies) of the productive forces of society. A free society, whose productive people are free to gain increasing utility through trade, is a just society. Only individuals themselves know what brings them value (utility) so therefore any forces (the State) which intervene in this value-creating exchange represents unjust exploitation.

This exchange itself is socially-determined. The market, *laissez-faire*, is what brings human freedom because as the market, and therefore competition, increases, the ability of the State to exploit man becomes in turn minimized. Therefore human freedom is realized not through a violent revolution as under Marx's scientific socialism where the State withers away after the dictatorship of the proletariat but a peaceful evolution of productive cooperation in exchange in which the State becomes increasingly irrelevant. This social theory is exemplified through the writings of Augustin Thierry.

We live under powers founded upon conquest, and, however decayed they may be, they retain the vestiges of their origin. As they diminish even more, true administration will be born. To hasten this moment, we must reform ourselves. Each citizen, if he wishes to merit the title, must not contribute to power, but shun it. Each must develop a delicacy of conscience which rejects living off the public and a healthy common sense which tells him that to hold an office is not always to be useful but to labor is (Thierry 1818b, 10).

Historical progression

The first among the French thinkers to outline a theory of history was Turgot in his *Plan de deux discours sur l'histoire universelle* (1750). Marx acknowledges Turgot's theory of historical evolution.

Among the later representatives of the Physiocrats, especially Turgot, this illusion disappears completely, and the Physiocratic system is presented as the new capitalist society prevailing within the framework of the feudal society. This therefore corresponds to bourgeois society in the epoch when the latter breaks its way out of the feudal order (Marx 1860, Part I, 50).

Like Marx, Turgot saw history as a progression, sometimes evolutionary, sometimes revolutionary.¹⁴

Thus, the *universal history* embraces the consideration of successive advances of mankind and the details of the causes which have contributed. The early beginnings of men, training, the mixture of national origins, revolutions of governments, the progress of language, physics, ethics, morals, science and arts; the revolutions creating empires and the successor empires, nations to nations, religions to religions and the human race always the same in its changes, as water from the sea in storms, and always walked to perfection. Revealing the influence of general causes and necessarily, those particular causes and free actions of great men, and report all this to the very constitution of man, show the mechanical springs and moral causes by their effects: this is what is the story in the eyes of a philosopher. It is based on geography and chronology, which measure the distance of time and place (Turgot 1750, 276- 277).¹⁵

We find in Turgot that the present is very much contingent on a path-dependent past. No universal law can describe history's march from one stage to the next. Marx, also, it might be argued, did not want his theory of historical materialism to be universally and generally applied as a law. The only inevitability in scientific socialism is that of communism, the end of-pre-history.

¹⁴ It is relevant to note a main difference in the historical writings of Turgot 1750 and Marx 1857-1858. Whereas Turgot (and later after him Thierry 1818) saw the development of communes (later cities) and wealth through the development of private property, Marx sees that property in these early pre-feudalist societies as shared in common through the social unity.

The *shepherds*, whose livelihood more and more certain, were more numerous. They began to be richer and more about the spirit of ownership (Turgot 1750, 279-280).

Part of its surplus labour belongs to the higher community, which ultimately appears as a *person*. This surplus labour is rendered both as tribute and as common labour for the glory of the unity, in part that of the despot, in part that of the imagined tribal entity of the god. (Marx 1857-1858, 70).

It is beyond our purpose here to track differences in descriptions of historical development between Marx and the French liberals, this footnote is meant only to highlight the fact that for the French liberals, the despot is seen as exploiting the productive (and thus not contributing to the social good), whereas for Marx the despot is seen as part of the social unity, highlighting a main differences in the pre-analytical visions of the two social theories.

¹⁵ In this work Turgot develops the history of these stages of human development; hunters, pastors, shepherds, barbarians, antiquity, feudalism (the beginning of laborers and the idle classes), despotism, monarchy, and the commercial era.

He [Marx does not name who he is, *author*] feels himself obliged to metamorphose my historical sketch of the genesis of capitalism in Western Europe into an historico-philosophic theory of the *marche generale* [general path, *in original translation*] imposed by fate upon every people, whatever the historic circumstances in which it finds itself, in order that it may ultimately arrive at the form of economy which will ensure, together with the greatest expansion of the productive powers of social labour, the most complete development of man. But I beg his pardon. (He is both honouring and shaming me too much.).... Thus events strikingly analogous but taking place in different historic surroundings led to totally different results. By studying each of these forms of evolution separately and then comparing them one can easily find the clue to this phenomenon, but one will never arrive there by the universal passport of a general historico-philosophical theory, the supreme virtue of which consists in being super-historical (Marx 1877).

Turgot in addition sees that the movement towards perfection is not one continuous path towards progress but one in which wealth itself can cause softness and another period of usurpation by barbarians, from which then lessons from history are learned and mankind's march to perfection renews.

Civilized nations, richer, more peaceful, more accustomed to a soft life, at least sedentary, especially in fertile countries which were first grown, soon lose the strength that made them conquerors, when a scholarly discipline does not also put into place a barrier to softness. The conquerors then give way to new barbarians, empires expand, they force their age and decay, but their fall even help to improve the arts and improve the laws (Turgot 1750, 289).

Class struggle and the productive and unproductive forces in society

It is well-known in the history of economic thought that the Physiocrats had a class system comprising of landowners (rentiers), manufacturers and agriculture laborers. It is only the agriculture worker who is productive because it is only land and agriculture products which bring value to society, the other classes being sterile. It is perhaps from the Physiocrats, and specifically Turgot, where Marx derives his theory of exploitation of the worker.

The seller sells what he has not bought. Turgot at first presents this unbought element as a pure gift of nature. We shall see, however, that in his writings this pure gift of nature becomes imperceptibly transformed into the surplus-value of the labourer which the landowner has not bought, but which he sells in the products of agriculture (Marx 1860, Part I, 55).

Marx's take on a Turgotian theory of exploitation is juxtaposed with a lengthy quotation from Turgot as riches being augmented through trade, and the economic calculations necessary to make this trade, itself, and not on exploitation. There are passages in Turgot, like all Physiocrats, that agriculture is the sole source of the growth in wealth, however, this does not necessarily amount to exploitation of the agricultural worker. In the following we can also find the genesis of what might be the *market process*; experiential learning, the entrepreneur creating value through their labor, risk and industry, the uncertainty, complexity and causal chains of the market and the importance of time in economic calculation and realization.

From the green-woman who exposes her ware in a market, to the merchants of Nantz or Cadiz, who traffic even to India and America, the profession of a trader, or what is properly called commerce, divides into an infinity of branches, and it may be said of degrees. One trader confines himself to provide one or several species of commodities which he sells in his shop to those who chuse; another goes with certain commodities to a place where they are in demand, to bring from thence in exchange, such things as are produced there, and are wanted in the place from whence he departed: one makes his exchanges in his own neighbourhood, and by himself, another by means of correspondents, and by the interposition of carriers, whom he pays, employs, and sends from one province to another, from one kingdom to another, from Europe to Asia, and from Asia back to Europe. One sells his merchandize by retail to those who use them, another only sells in large parcels at a time, to other traders who retail them out to the consumers: but all have this in common that they buy to sell again, and that their first purchases are advances which are returned to them only in course of time. They ought to be returned to them, like those of the cultivators and manufacturers, not only within a certain time, to be employed again in new purchases, but also, 1. with an equal revenue to what they could acquire with their capital without any labour; 2. with the value of their labour, of their risk, and of their industry.

Without being assured of this return, and of these indispensable profits, no trader would enter into business, nor could any one possibly continue therein: 'tis in this view he governs himself in his purchases, on a calculation he makes of the quantity and the price of the things, which he can hope to dispose of in a certain time: the retailer learns from experience, by the success of limited trials made with precaution, what is nearly the wants of those consumers who deal with him. The merchant learns from his correspondents, of the plenty or scarcity, and of the price of merchandize in those different countries to which his commerce extends; he directs his speculations accordingly, he sends his goods from the country where they bear a low price to those where they are sold dearer, including the expence of transportation in the calculation of the advances he ought to be reimbursed. Since trade is necessary, and it is impossible to undertake any commerce without advances proportionable to its extent; we here see another method of employing personal property, a new use that the possessor of a parcel of commodities reserved and accumulated, of a sum of money, in a word, *of a capital*, may make of it to procure himself subsistence, and to augment, his riches (Turgot 1766, Section 66, *emphasis* in original).

We can counterjuxtapose the Turgotian vision of wealth-creation (the entrepreneur as productive) with that of Marx's vision. In the following we find that only to the degree that exploited productive labor is used in the industrial-capital process (the production of commodities under capitalism) is value created. We also find a distinctively different view of the entrepreneur. It is not risk-taking and creating for the market which brings value, it is only the degree of exploitation, the ability to cheat the trading partner and luck¹⁶ which brings the entrepreneur a wage higher than that of the exploited worker, and that again only because the entrepreneur is paying herself.

Since the moneyed capitalist in fact receives his part of the surplus-value only as *owner of capital*, while he himself remains outside the production process; since the price of capital—that is, of the mere title to ownership of capital—is quoted on the money market as the rate of interest in the same way as the market price of any other commodity; since the share of surplus-value which *capital as such*, the *mere ownership* of capital, secures is thus of a *stable* magnitude, whereas the rate of profit fluctuates, at any given moment it varies in the different spheres of production and within each sphere it is different for the individual

¹⁶ Luck too plays a part in the market process, sometimes luck, being in the right place at the right time with the right good for offer, plays a part in the profits gained through entrepreneurial activity. When Marx uses the term cunning, we might assume that he does not mean superior entrepreneurial skills (Turgot's industry, labor and risk) but rather the ability to gain more value than a trading partner through unequal exchange in the Marxian zero-sum trading schematic.

capitalists, partly because the conditions under which they produce are more or less favourable, partly because they exploit labour in capitalist fashion with different degrees of circumspection and energy, and partly because they cheat buyers or sellers of commodities with different degrees of luck and cunning (profit upon expropriation, alienation)—it therefore appears natural to them, whether they are or are not owners of the capital involved in the production process, that *interest* is something due to capital as such, to the ownership of capital, to the owner of capital, whether they themselves own the capital or someone else; industrial profit, on the other hand, appears to be the result of *their* labour.

As operating capitalists—as real agents of capitalist production—they therefore confront themselves or others representing merely idle capital, as *workers* they consequently confront themselves and others as *property owners*. And since they are, as matters stand, workers, they are in fact wage-workers, and because of their superiority they are simply better-paid workers, which they owe partly also to the fact that they pay themselves their wages (Marx 1860, Part III, 477, *emphasis* in original).

Charles Comte shows that under the French liberal social theory of class struggle in fact productive and unproductive forces in society are the individuals (aggregated to a class) that produce voluntarily for social exchange versus the individuals (aggregated to a class) that live by expropriating the labor of others through coercion, under feudalism (the landed class and ruling elite) and under capitalism (the State).

[Under feudalism] a kind of subordination that subjected the laboring men to the idle and devouring men, and which gave the latter the means of existing without producing anything, or of living nobly (Comte 1817, 22).

What must never be lost sight of is that a public functionary, in his capacity as functionary, produces absolutely nothing; that, on the contrary, he exists only on the products of the industrious class; and that he can consume nothing that has not been taken from the producers. (Comte 1817, 29-30).

Augustin Thierry reviewed Destutt de Tracy's *Commentaire sur l'esprit des lois de Montesquieu* (1811) in *Le Censeur Européen* in 1818.¹⁷ This review was one of the founding works of the French liberal social theory of industrialism. Thierry writes that the march of freedom (literally Napoleon's march) ending feudalism in European history was accomplished by the State, but, "it was only in losing their powers that the actions of government ameliorate" (Thierry 1818a, 230). Marx does not in any of his published works (that I have found) mention the work of Thierry but in an 1852 letter to Joseph Weydemeyer acknowledges (perhaps his debt to) Thierry.

Finally if I were you, I should tell the democratic gents en general that they would do better to acquaint themselves with bourgeois literature before they venture to yap at its opponents. For instance they should study the historical works of Thierry, Guizot, John Wade and so forth, in order to enlighten themselves as to the past history of the classes....Now as for myself, I do not claim to have discovered either the existence of classes in modern society or the struggle between them. Long before me, bourgeois historians had described the historical development of this struggle between the classes, as had bourgeois economists in their economic anatomy (Marx 1852, 2-3).¹⁸

¹⁷ Thierry 1818b is a translated and rearranged version of Thierry 1818a.

¹⁸ In this letter Marx also states that he was the first to discover the uses of class analysis as necessarily leading to the dictatorship of the proletariat and thus to the abolition of all classes. We know from French liberal industrialism theory that the first claim is true but perhaps not the second.

Marx however, turns the French liberal theory of exploitation on its head and instead of the exploiting and unproductive class being the State it becomes capital, and as argued, this turn is necessary under Marx's system of scientific socialism in order to ensure the capital-labor class struggle and hoped-for (or historically necessary) revolution. We can see Marx's turn in his notes about Destutt de Tracy in *Theories of Surplus Value*.

Le comte Destutt de Tracy : *Eléments d'idéologie, IVe et Ve parties. Traite de la volonté et de ses effets*, Paris, 1826 ([First edition] 1815).

"All useful labour is really productive, and the whole laboring class of society equally deserves the name *productive*" (p. 87)

But in this productive class he distinguishes "the labouring class which *directly produces* our wealth" (p. 88) – that is what Smith calls the productive labourers.

As against these, the *sterile* class consists of the rich, who consume their rent of land or rent on money. They are the *idle class*. (Part I, 269, all *emphases* in original).

Marx is imposing, or in fact is correcting what he sees as the mistakes in Destutt de Tracy's analysis of class. When Destutt de Tracy writes of useful productive labor and of a laboring class he means an industrious class as opposed to those who do not produce for the market and social exchange, e.g., those who live through the taking of the productive labor from others by force. He does not mean, nor does he use the term capital class, to define his (original) version of an unproductive class. Unproductive for the French liberals is not labor which does not produce a surplus value as it is for Marx, it is a class of people who under pre-capitalist stages of history used plunder to expropriate value produced by the productive and under capitalism use the power of the State to expropriate from the productive (the industrious).

The determination of whether or not the idlers are productive or unproductive needs to be traced back to whether or not the source of the individual's capital was gained through coercion or through exchange. Marx again quotes from Destutt de Tracy.

"To find how these revenues" (on which the idlers live) "have been formed it is always necessary to go back to the *industrial capitalists*" (p. 237, note). (Marx 1860, Part I, 270).

For Marx of course this means that only industrial capital in the commodity production process creates value, whereas under the French liberal theory we need to ask do these idlers live off of money lent to the State or through capital accumulated by special monopoly rights in trade granted by the State, or, conversely, is the source of wealth gained through free exchange in the market. Marx is using the term industrial capitalist to mean the capitalist class when in fact for Destutt de Tracy it is the class of productive labor juxtaposed with that of coercive expropriation. Free exchange, again, is the movement towards and the foundation of a free and prosperous society.

Society is purely and solely a continual series of exchanges. It is never anything else, in any epoch of its duration, from its commencement the most unformed, to its greatest perfection. And this is the greatest eulogy we can give to it, for exchange is an admirable transaction, in which the two contracting parties always both gain; consequently, society is an uninterrupted succession of advantages, unceasingly renewed for all its members (Destutt de Tracy 1817, 6).

March towards freedom

For both Karl Marx and the French liberals history is a march towards human freedom, one in which class antagonisms disappear (for Marx) or are minimized (for the French liberals). For the liberals it is the market and free-exchange, which has developed over time and continues to develop, albeit with set-backs, which decreases the power of the exploitive class. For Marx too the market (capitalist exchange) has brought a higher level of freedom than previous stages of human history. However, as is well known it is a double-freedom; the freedom to work for whom one pleases, but also the freedom to starve unless one offers their labor-power on the market.¹⁹

Thierry shows how the exploiter class is removed by the productive class through the market and competition under (free-market) capitalism, through the breaking of the fetters placed on society by the expropriators.

An invisible and ever-active power, labor spurred by industry, will precipitate at the same time all of the population of Europe into this general movement. The productive force of the nations will break all its fetters....Industry will disarm power, by the desertion of its satellites, who will find more profit in free and honest labor than in the profession of slaves guarding slaves. Industry will deprive power of its pretexts and excuses, by recalling those the police keep in check to the enjoyments and virtues of labor. Industry will deprive power of its income, by offering at less cost the services which power makes people pay for. To the degree that power will lost its actual force and apparent utility, liberty will gain, and free men will draw closer together (Thierry 1818a, 256-257).

Thierry as we learned above thought that a raised consciousness (“Each must develop a delicacy of conscience...”) was necessary to overcome the historically-determined class struggle, however, Thierry also gives several examples of where this has occurred, specifically in pre city-state communes.

Each industrious city in which men of the noble warrior race dwelt demanded of them a pledge and a security. The idle noble, like the vagabond, the man accustomed to the excesses and morality of power and the lunatic were all excluded from the rights of citizenship. Nevertheless, as soon as the least industrious profession allied [the noble, *in original translation*] to the morals of the citizenry, his name would figure in the rolls of citizenship (Thierry 1818b 12).²⁰

¹⁹ Engels writes in *Anti-Duhring* (a work Marx reviewed prior to publication) of the double- freedom unique to the capitalist period.

However, this creation of capital requires that one essential prerequisite be fulfilled: "For the conversion of his money into capital the owner of money must meet in the market with the *free labourer*, free in the double sense, that as a free man he can dispose of his labour-power as his own commodity, and that on the other hand he has no other commodity for sale, is short of everything necessary for the realisation of his labour-power." But this relation between the owners of money or of commodities on the one hand, and those who possess nothing beyond their own labour-power on the other, is not a natural relation, nor is it one that is common to all historical periods: "It is clearly the result of a past historical development, the product ... of the extinction of a whole series of older forms of social production." And in fact we first encounter this free labourer on a mass scale in history at the end of the fifteenth and the beginning of the sixteenth century, as a result of the dissolution of the feudal mode of production (Engels 1877, Chapter 19).

²⁰ Thierry cites William Robertson's *Introduction to the History of Charles V* (1769) and J.C.L. de Sismondi's multi-

Under scientific socialism however class-consciousness is ideology, and thus defined by the mode of production.

The way in which men produce their means of subsistence depends first of all on the nature of the actual means of subsistence they find in existence and have to reproduce. This mode of production must not be considered simply as being the production of the physical existence of the individuals. Rather it is a definite form of activity of these individuals, a definite form of expressing their life, a definite mode of life on their part. As individuals express their life, so they are. What they are, therefore, coincides with their production, both with what they produce and with how they produce. The nature of individuals thus depends on the material conditions determining their production (Marx 1845, 5).

Thus logically under scientific socialism it is not possible to break actually-existing fetters preventing reunification with the species-being until *after* the revolution during the capitalist stage of (pre-) history is achieved. The forces of production are driven by constant and necessary technological progressivity due to ever increasing ratios of constant to variable capital under capitalism. It is these forces of production themselves which are ‘burst asunder’ under the dialectic of scientific socialism.

That capitalism is unsustainable due to its internal contradictions and as well creates the wealth necessary for the end of pre-history is the reason that Marx argued against the reformist (read redistributionist or protectionist) proposals of the Democrats and the French Socialists.²¹ In this regard both the French liberals and Marx see the primacy of the market exchange under capitalism.

In raising such a question one would naturally be supposing that the English could have produced this wealth without the historical conditions in which it was produced, such as: private accumulation of capital, modern division of labour, automatic workshops, anarchical competition, the wage system – in short, everything that is based upon class antagonism. Now, these were precisely the necessary conditions of existence for the development of productive forces and of surplus labour. Therefore, to obtain this development of productive forces and this surplus labour, there had to be classes which profited and classes which decayed.

What then, ultimately, is this Prometheus resuscitated by M. Proudhon? It is society, social relations based on class antagonism. These relations are not relations between individual and individual, but between worker and capitalist, between farmer and landlord, etc. Wipe out these relations and you annihilate all society, and your Prometheus is nothing but a ghost without arms or legs; that is, without automatic workshops, without division of labour – in a word, without everything that you gave him to start with in order to make him obtain this surplus labour.

volume *Histoire des républiques italiennes dus moyen âge* (1807-1818) as sources to show that families disturbing the peace were relegated to the roles of the nobles, and rehabilitated when productive, in Florence, Scienna, Pisa, Bologna, Padua, Brescia, Genoa and “in all the free cities” (Thierry 1818b, 28-29, fn 25).

I have dealt more at length with the ‘undiminished’ proceeds of labor, on the one hand, and with ‘equal right’ and ‘fair distribution’, on the other, in order to show what a crime it is to attempt, on the one hand, to force on our Party again, as dogmas, ideas which in a certain period had some meaning but have now become obsolete verbal rubbish, while again perverting, on the other, the realistic outlook, which it cost so much effort to instill into the Party but which has now taken root in it, by means of ideological nonsense about right and other trash so common among the *democrats* and *French socialists* (Marx 1875, Chapter One, *emphasis added*).

If then, in theory, it sufficed to interpret, as M. Proudhon does, the formula of surplus labour in the equalitarian sense, without taking into account the actual conditions of production, it should suffice, in practice, to share out equally among the workers all the wealth at present acquired, without changing in any way the present conditions of production. Such a distribution would certainly not assure a high degree of comfort to the individual participants (Marx 1847, Chapter One).

Freedom's march under scientific socialism is only pre-determined once the capitalist stage of human development is reached. The laws of history for pre-capitalist stages are less general.²² Technology determines only *ex ante* the social relations of production leading to capitalism.

M. Proudhon the economist understands very well that men make cloth, linen, or silk materials in definite relations of production. But what he has not understood is that these definite social relations are just as much produced by men as linen, flax, etc. Social relations are closely bound up with productive forces. In acquiring new productive forces men change their mode of production; and in changing their mode of production, in changing the way of earning their living, they change all their social relations. The hand-mill gives you society with the feudal lord; the steam-mill society with the industrial capitalist (Marx 1847, Chapter 2).

We can also find in Marx, similar to the French liberals, that the State can be a fetter on human progress prior to capitalism. However this fetter is path-dependent, unlike the French liberal analytical vision in which the State (or prior to the State, the plunderers) is always the exploiting class.

It seems to me that in Russia the original isolation, caused by the vast extent of the territory, is easily eliminated, once the fetters imposed by the government will have been bust. ...The dualism within it permits of an alternative: either the property element in it will overcome the collective element, or the other way round. Everything depends in the historical environment in which it occurs (Marx 1857-1858, 143-145).

²² Engels in his 1882 letter to Marx, almost 30 years after their first correspondence regarding Thierry, criticizes Thierry for oversimplifying the development of serfdom.

I am glad that on the history of serfdom we 'proceed in agreement', as they say in business. It is certain that serfdom and bondage are not a peculiarly medieval-feudal form, we find them everywhere or nearly everywhere where conquerors have the land cultivated for them by the old inhabitants – e.g., very early in Thessaly. This fact has even misled me and many other people about servitude in the Middle Ages; one was much too much inclined to base it simply on conquest, this made everything so neat and easy. See Thierry among others (Engels 1882).

This criticism is perhaps justified as Thierry's work covers expropriation and self-selected communes resulting from this plunder as early as the Lombard League in 1167, however, in Turgot 1750 the history of plunder begins prior to antiquity.

CONCLUDING REMARKS

In this paper we have seen many similarities between the work of Karl Marx and his self-acknowledged predecessors in the analysis of class struggle, the French liberals. The social theories of both use concepts of historical development and path-dependency, productive and unproductive labor, of exploitation, and of the necessary primacy of market exchange under capitalism to bring human freedom. We have also seen the regard that Marx gives to both Turgot and Thierry in his published writings (the former) and his personal correspondence (the latter). We also know that Marx and Engels had been discussing in correspondence the work of Augustin Thierry for almost a 30 year period. It would only be conjecture to say that Marx's theory of labor exploitation and his economic theory of value, and in fact the whole theory of scientific socialism, is derived directly from the French liberal historians and political economists, but we have seen enough similarities between Marx and the *Le Censeur Européen* writers and their precursor Turgot to propose that their influence is not negligible. It is only Marx's Hegel-influenced philosophical pre-dispositions towards reuniting an alienated man with himself that these social theories must divide in substance.

REFERENCES

Comte, Charles. 1817. De l'organisation sociale considérée dans ses rapports avec les moyens de subsistance des peuples. *Le Censeur Européen* 2.

Destutt de Tracy, Antoine. 1817 [1970]. *A Treatise on Political Economy*, Thomas Jefferson, ed. New York: Augustus M. Kelley.

Engels, Friedrich. 1877. *Anti-Duhring*. Available:
<http://www.marxists.org/archive/marx/works/1877/anti-duhring/ch19.htm>

Engels, Friedrich. 1882. Engels to Marx in Ventnor, letter dated [London] 22 December 1882, available: http://www.marxists.org/archive/marx/works/1882/letters/82_12_22.htm.

Hegel, G.W.F. 1837. *Philosophy of History*. Available:
<http://www.class.uidaho.edu/mickelsen/texts/Hegel%20-%20Philosophy%20of%20History.htm>.

Hollander, Samuel. 2008. Economic Organization, Distribution, and the Equality Issue: The Marx-Engels Perspective, in *The Street Porter and the Philosopher*, edited by Sandra J. Peart and David M. Levy. Ann Arbor, MI : University of Michigan Press.

Marx, Karl. 1845-6. *The German Ideology*. Available:
<http://www.marxists.org/archive/marx/works/1845/german-ideology/ch01a.htm>.

Marx, Karl. 1847. *The Poverty of Philosophy*. Available :
<http://www.marxists.org/archive/marx/works/1847/poverty-philosophy/index.htm>

Marx, Karl. 1847 and 1865. [2006] *Wage-Labor and Capital and Value, Price and Profit*. International Publishers Co., Inc. Speeches given by Marx edited by Frederick Engels in 1891.

Marx, Karl. 1852. Marx to Joseph Weydemeyer in New York, letter dated London, 5 March 1852, available: www.marxists.org/archive/marx/works/1852/letters/52_03_05.htm.

Marx, Karl. 1852. Marx to Engels in Manchester, letter dated [London], 5 March 1852, available: www.marxists.org/archive/marx/works/1852/letters/54_07_27.htm.

Marx, Karl. 1857-1858 [1965], published posthumously, translated by Jack Cohen, edited by Eric J. Hobsbawm. *Pre-Capitalist Economic Formations*. New York: International Publishers.

Marx, Karl. 1859 [1976]. Preface to a Contribution to the Critique of Political Economy. In *Preface and Introduction to a Contribution to the Critique of Political Economy*. Peking: Foreign Language Press.

Marx, Karl. 1860 [1999], published posthumously, edited by Friedrich Engels. *Theories of Surplus Value*. Amherst, NY: Prometheus Books.

Marx, Karl. 1861-1864, unpublished. Economic Works of Karl Marx 1861-1864. Available:
<http://www.marxists.org/archive/marx/works/1864/economic/>

Marx, Karl. 1867 [1990]. *Capital, Volume One*. New York: Penguin Books.

Marx, Karl. 1875. *Critique of the Gotha Programme*. Available:
<http://www.marxists.org/archive/marx/works/1875/gotha/ch01.htm>

Marx, Karl. 1877. Letter from Marx to Editor of the *Otecestvenniye Zapisky*, end of November, available: <http://www.marxists.org/archive/marx/works/1877/11/russia.htm>.

Marx, Karl and Friedrich Engels. 1848 [1955]. *Manifesto of the Communist Party.*, edited by Samuel H. Beer. Arlington Heights, IL: Harlan .

Raico, Ralph. 1977. Classical Liberal Exploitation Theory: A Comment on Professor Liggio's Paper. *Journal of Libertarian Studies* 1 (3): 179-183.

Rothbard, Murray N. 1995a. *Classical Economics: An Austrian Perspective on the History of Economic Thought*, Vol. II. Cheltenham (U.K.): Edward Elgar.

Thierry, Augustin. 1818a. Review of Antoine Destutt de Tracy's *Commentaire sur l'esprit des lois de Montesquieu*. *Le Censeur Européen* 8, 191-260.

Thierry, Augustin. 1818b [1978]. *Theory of Classical Liberal "Industrielisme"*, translated by Mark Weinburg. New York: Center for Libertarian Studies.

Turgot, Anne. R.J. 1750. *Plan Two Discourses on Universal History*. Available:
<http://www.eliohs.unifi.it/testi/700/turgot/discours.html>.

Turgot, Anne. R.J. 1766. *Reflections on the Formation and Distribution of Wealth*. Available:
<http://www.econlib.org/library/Essays/trgRf11.html>