CHAPTER 2

Marx & Engels' Studies of Crises, 1843–1895

Karl Marx and Frederick Engels were men of the nineteenth century and their understanding of economic and political crises was based on both observation of the events of their time and the theories they developed to understand them. They lived, fought, and wrote during a period of recurrent economic crises marked by several major political upheavals in some of which they participated as militant revolutionaries.

Dedicated to active political organizing against an expanding capitalism that was subordinating more and more people to endless work, in cruel, often murderous ways, Marx and Engels studied economic crisis, not as academic theorists but as militants. They studied the periodical crises of capitalist accumulation while helping organize and expand: first, the Communist League in the period of the Revolutions of 1848, and then the First International in the period surrounding the Commune of Paris in 1871. As working-class political parties began to be formed, they contributed both critique and positive input into the formulation of the politics of such parties. In every case, they were dedicated to the unification of workers' struggles across national borders and the transcendence of capitalism.

Given the importance Marx and Engels attached to workers' struggles not only in causing crises in capitalist accumulation but also in their potential to overthrow capitalism completely, their interest in discovering the dynamics of capitalist growth aimed at showing workers two things: first, the sources of the frequent crises of their time, and second, how the interests of some workers were inevitably bound up with those of others elsewhere. The path towards greater power for workers lay in strengthening connections and developing ways to collaborate.

In their writing and in their political activity, we can discover both their understanding of the ways in which workers' struggles circulate and their own efforts to accelerate that circulation. Their efforts included:

1. the serious study of languages relevant both to their studies and to their ability to communicate politically,
2. writing up and giving verbal accounts of struggles in one place to convey stories of those struggles to workers elsewhere,
3. translating their writings, by themselves or through others, to increase the likelihood of their accounts of workers' actions in one place having an impact on workers elsewhere,

4. helping organizations in one place create or strengthen links with organizations elsewhere,
5. by supporting emigrants like themselves, they facilitated the international circulation of the experience of struggle and the spreading of lessons learned

Educated in both the gymnasium and university in German, Latin, and Ancient Greek, Marx and Engels repeatedly studied those modern languages they found relevant to understanding capitalist development and workers' struggles. Moreover, as they became more and more deeply involved in politics, they worked hard at learning the languages they needed to communicate their ideas – in both writing and conversation – to others struggling for change.[1]

Obviously, neither man was a member of the factory proletariat that they saw as the increasingly dominant sector of the working class and whose struggles they were dedicated to circulating. When he wasn't fighting the system, Engels worked as what Marx eventually called a "functionary of capital" for his father's business. Marx made his living as a writer of books and as a journalist. Income from both sources was highly irregular. Although he dismissed writers who worked for capitalist employers as an insignificantly small part of the working class, he did just such work. Despite their anti-capitalist content and objective, his books were printed and sold as commodities – earning him income, either as advances or as royalties, while earning profits for his publishers. His journalism, first for the *New York Herald Tribune*, and then as a contributor to *New American Cyclopaedia* made him, in effect, an intellectual gig worker, unsalaried and paid by the piece, per article by the *Tribune*, per page by the *Cyclopedia* editors.[2] For both men, their primary modes of political action were writing and organizing. Both drew on skills learned in school and continued to study, write, and organize, learning through participation, first

1 Most good biographies of Marx and Engels contain accounts of their language learning. A recent survey, drawing on both biographies and now available letters, is Kaan Kangal, "Marx and Engels as Polyglots" *Monthly Review* 75, no. 9 (February 2024): 22-35.

2 Although the payment went to Marx, like Tom Sawyer in Mark Twain's novel, who got a friend to do his work of painting a fence, Marx often talked Engels into writing some of these pieces published under his name – especially those for which he thought Engels was more qualified, e.g., on military matters. His personal annoyance with the piecework character of his journalism certainly contributed to his detailed analysis of piece-wages in Chapter 21 of Volume 1 of *Capital*. One complaint to Engels: "It's truly nauseating that one should be condemned to count it a blessing when taken aboard by a blotting paper vendor such as this [the Tribune]. To crush up bones, grind them and make them into soup like PAUPERS in the WORKHOUSE – that's what the political work to which one is condemned in such large measure in a CONCERN like this boils down to. I am aware I have been an ass in giving these ladies more than their money's worth – not just recently but for years past." Marx to Engels, January 23, 1857, *MECW*, *Vol. 40*, p. 98.

in reform circles and later among worker organizations. As I point out below in my historical sketch, they developed these skills within the context of rapid socio-economic change in which a whole array of reformers and revolutionaries were already active.

In their now collected works, one can easily see how Marx and Engels' writing took two forms: writing to and for comrades in struggle and writing for public consumption. In the absence of telephones or email, most correspondence with others was either face to face or epistolary, handwritten letters to share ideas and to organize. Their written correspondence was voluminous as they shared experience, discussed organizational strategies, critiqued others' ideas, offered early formulations of their own ideas, which later appeared in their published works, or recaps of points already made in print designed to highlight their political implications. Their correspondence with each other and with comrades illuminates our understanding of both the evolution of their analysis of crisis and their perception of its importance for political action. Until finally being published in *MECW* and *MEGA*, most of their letters were unknown and unavailable outside the archives that contained them. But among those that were, perhaps the best known was Marx's letter to Engels telling him about slaving night after night to pull together his analysis during the crisis of 1857 in anticipation of possible revolutionary upheaval. (See, Section 2.1.) Today, hundreds of such letters are readily available, although mostly studied only by their biographers.[3]

In their public political writing, one can find exhortations to collaboration across differences, e.g., the famous call in the *Communist Manifesto* for "workers of the world" to unite, but almost all their efforts, both theoretical and political, were designed as interventions aimed at bringing about or speeding up the circulation of struggles – the only path they could see to the overthrow of capitalism. Those interventions included a) writing articles in the language appropriate to the targeted group of workers, e.g., in German for the *Rheinische Zeitung* or *Neue Rheinische Zeitung*, but in English for Chartist and American newspapers, b) the creation of new publishing efforts to overcome linguistic barriers, e.g., the *Deutsch-Französische Jahrbücher* aimed at linking Germans and French struggles by publishing articles by revolutionary intellectuals in both languages, and c) efforts to get their major works published in as many languages as possible, e.g., Marx's efforts to recraft the French translation of *Capital* to increase its accessibility to workers in France. Whether they were directly involved in struggles, e.g., the 1848 Revolution in Germany, or observing

3 I include myself among those who have, so far, failed to study this correspondence in detail. While for this book I scoured the many volumes of *MECW* for discussions of crisis, I largely ignored everything else.

them from afar, e.g., the Paris Commune, they wrote about them to circulate the lessons they drew from those experiences to other workers in other places.

Not only their writing but also most of their political organizing aimed to bring workers together across linguistic and cultural differences –in the League of the Just, in the formation of the Communist Correspondence Committee, in the Communist League and in the International Working Men's Association, or First International. And, for Engels, who outlived Marx, in the Second International.[4] Part of this work was writing up position papers and manifestos for the various groups, e.g., Engels' "Draft of a Communist Confession of Faith" and Marx and Engels' *Communist Manifesto* for the League of the Just. This kind of writing was integral to their political work throughout their lives.

But like other organizers of their day, they didn't just write. In the absence of any form of audio-visual recording and reproduction, they also took the time and devoted considerable energy to public speaking to groups of workers and to potential supporters among the middle classes. We know about such efforts from letters, lecture notes eventually published and from contemporary accounts. Early examples include the speeches Engels gave in Elberfeld and later prepared for publication.[5] In a letter, he recounts to Marx:

> Here in Elberfeld wondrous things are afoot. Yesterday we held our third communist meeting in the town's largest hall and leading inn. The first meeting was forty strong, the second 130 and the third at least 200. All Elberfeld and Barmen, from the monied aristocracy to épicerie (small shopkeepers) was represented, only the proletariat being excluded."[6]

Among the better-known examples of speeches to workers, also cited below in Section 2.2, is Marx's report to the Central Council of the First International

---

4 In terms of organization, this emphasis on circulating struggles across differences in the working class has been a central part of Marx and Engels' legacy. The Second International (1889–1916) was followed by the Third International – the "Communist International" or "Comitern" – (1919–1943) created by the Bolsheviks in the wake of the Russian Revolution and the Fourth International formed by Leon Trotsky and his followers in 1938 after his exile from the USSR and in opposition to Stalin's domination of the Comitern. It can also be seen in Marxist support for anti-colonial or national liberation struggles in the post-WWII period and in the alter-globalization efforts of recent years undertaken by all sorts of opponents of capitalism.

5 These February speeches were written up by Engels and published in August in the *Rheinische Jahrbücher zur gesellshaftlichen Reform*. See endnote 91, *MECW, Vol. 4*, p. 697. "Speeches in Elberfeld," February 8, 1845, *MECW, Vol. 4,* pp. 243–251. "Speeches in Elberfeld," February 15, 1845, *MECW, Vol. 4,* pp. 256–64.

6 Engels to Marx, February 22 – March 7, 1845, *MECW, Vol. 38*, pp. 22-23.

presented on June 20 and 27, 1865, eventually published posthumously in 1898 as *Value, Price and Profit*.[7]

Beyond researching, writing about, and telling tales of distant struggles to local audiences, Marx and Engels – like so many workers, moved from place to place and carried their experience of struggle with them. Engels moved from Germany to England; Marx moved from Germany to France (Paris) to Belgium (Brussels) to England (London). In each place, they not only lived within communities of émigrés and refugee revolutionaries like themselves but also welcomed others from afar to share their experiences and learn from them. Among them were Poles and Russians from the Eastern European front of the struggle for democracy, worker, and peasant rights. These included Joachim Lelewel, who collaborated with Marx and Engels in Brussels, Walery Wróblewski, a general in the Paris Commune and later a member of the General Council of the First International,[8] and Mikhail Bakunin who also joined the First International after opposing Czarist occupation of Poland, participating in the Czech Rebellion of 1948, being imprisoned in Russia but escaping exile to Siberia. Influenced by Proudhon and destined to become a major figure in the anarchist tradition, Bakunin sparred with Marx and Engels over revolutionary strategy.[9]

These prominent individuals, however, were just visible representatives of vast numbers of lesser or unknown workers on the move, carrying their experience of struggle with them to new terrains. With the rapid development of capitalism came massive movements of workers. Some were moved forcibly, e.g., slaves, press-ganged seamen and those arrested, jailed, and transported to the peripheries of the expanding capitalist world. For far more, geographical displacement was either part of their work, e.g., sailors and soldiers, or a form of struggle, e.g., pirates or immigrants seeking freedom from exploitation. Marxists have tended to emphasize the role of capitalists in all this movement, from merchant capitalists seeking new markets to industrial capitalists seeking new pools of labor and sources of raw materials. Their roles in conquest, the creation of colonies and empire were obvious. Less obvious has been the autonomous mobility of many workers either making use of capitalist circuits or breaking free of them. Yes, some capitalists profited from providing transportation to

7 See endnote 87, *MECW*, *Vol. 20*, pp. 466–67.

8 See the mentions of Lelewel and Wróblewski in "Notes to Polish Readers" included in this volume.

9 Their differences in strategy, which eventually led to Bakunin's expulsion from the International, are well-known and were based on differing analyses of how workers should deal with the state. Whereas Bakunin argued for revolutionaries to immediately abolish the state, Marx argued for taking it over – to prevent counter-revolution – and then gradually abolishing it as people developed alternative institutions. More on this in Chapter 8: Crises and Revolution.

workers on the move, e.g., German companies selling immigration (tickets to the US) to workers in the wake of the 1848 uprisings. But many of those who moved had participated in the revolution and were escaping the subsequent repression to pursue their struggles elsewhere, e.g., those who moved to Texas and founded communist communities.[10] Yes, sailors were workers on the commercial fleets of the expanding empire, but they often mutinied, becoming pirates, or jumped ship leaving the sea altogether, becoming immigrants in new lands. As Linebaugh and Rediker have demonstrated, capitalist expansion in the Atlantic (and beyond) not only included the formation of a polyglot working class – on land and on the sea – but also the movement of those workers circulating their experience and struggles throughout that world.[11]

I divide my account of Marx and Engels' studies and writings on crisis into three periods.

The *first period* is the decade of 1842 to 1852, during which Marx and Engels elaborated their critiques of Hegel's philosophy, plunged into the study of political economy, and began to become seriously involved in political struggles. I end this period when both Marx and Engels had completed their major works analyzing the forces involved in the Revolutions of 1848 and with the dissolution of the Communist League in 1852.

The *second period* includes the 1850s and 1860s, encompasses the long lull in their political activity and the most intense development of their theories of capitalism and its crises. It was during this interim that Marx composed the fullest elaboration of his theories of capitalism and class struggle in a series of notebooks and manuscripts. I date the end of this period as 1867, the year he published Volume 1 of *Capital*.

The *third period*, 1867 to 1895, encompasses the rest of Marx and Engels' lives – Marx died in his 65th year in 1883 and Engels in his 75th in 1895. During these years both men continued to think, write, and participate in various political efforts, including the First International and the formation of the first working-class political parties to enter the terrain of electoral politics.

Comparing their early writings on crisis with later ones reveals both continuities and important changes. The most important continuity is the central concern with the relationship between crisis and workers' struggles. The most important changes result from Marx's elaboration of his theories of value, surplus value and accumulation. Those concepts allow Marx and Engels to understand crisis in terms of class struggle with much greater clarity and in more detail than hitherto possible.

---

10 Ernest Fischer, *Marxists and Utopias in Texas* (Burnet, TX: Eakin Press, 1980).

11 Peter Linebaugh and Marcus Rediker, *Many-headed Hydra: Sailors, Slaves, Commoners, and the Hidden History of the Revolutionary Atlantic* (Boston: Beacon Press, 2000).

1 The Early Studies: 1842–1852

In 1839, while working at his family's textile business in his hometown of Barmen, Engels published – in vivid detail and from direct observation – a series of letters reporting on the exploitation and suffering of industrial workers.[12] But while juxtaposing the condition of workers with "the wholesome, vigorous life" of people elsewhere, his condemnation was general and not related to any critique of capitalism or any idea of crisis. That would come later. Instead of such analysis, he berated the local bigotry, religious extremism, and anti-intellectualism that he associated with the hypocritical Lutheran pietism of property owners and the desperation of workers. He seems to have only begun the serious study of political economy and of capitalist crisis after meeting Marx in the fall of 1842.[13]

In November of 1842, while on his way to his father's cotton mill in Manchester, England, Engels took time to visit the offices of the *Rheinische Zeitung* in Cologne, Prussia, a liberal journal founded by Rhenish industrialists with an editorial staff that included Marx.[14] Despite some differences, they agreed that Engels would write for the journal about the situation in England.[15]

---

12 At the time, Barmen and the adjacent town of Elberfeld (see below) were part of Prussia, an independent Kingdom until forming the North German Confederation in 1867, a step toward the unification of Germany in 1871. Engels' "Letters from Wuppertal" were published in a progressive Hamburg journal, the *Telegraph für Deutschland*, in March and April 1839, *MECW*, *Vol. 2*, pp. 7–25. Wuppertal = Wupper Valley = valley of the Wupper river, a tributary of the Rhine. The water of the Wupper powered the industries of the valley in that period. Eventually, with the substitution of the steam engine for waterpower, demand for coal by Wuppertal industry would drive the development of mining in the nearby Ruhrgebiet or Ruhr Valley.

13 Many may identify with Engels's reaction in this period when so many Christians have been proving themselves hypocritical bigots in their embrace of white supremacy and Christian nationalism and so many workers have been suffering the consequences of unconstrained neoliberalism.

14 The business backers of the paper were seeking greater freedom and a roll in government – something they would only get with the Constitution and Parliament created by the Prussian king Frederick William IV in the wake of the Revolution of 1848. Biographers differ on Marx's position at the paper. McLellan claims that in October 1842, Marx was made editor-in-chief. Sperber, on the other hand, claims that Marx only received "an employment contract." Whatever his formal position, all agree his coming on board strengthened the paper's critique of the Prussian government and dramatically increased its circulation. See David McLellan, *Karl Marx: A Biography* (New York: MacMillan, 1973), 43, and Jonathan Sperber, *Karl Marx: A Nineteenth Century Life* (New York: Liveright, 2013), 91.

15 Engels tells of his first "distinctly chilly" meeting with Marx, in an 1895 letter to Franz Mehring (1846–1919). See, Engels to Mehring, London, End of April 1895, *MECW*, *Vol. 50*, p. 503.

In Manchester, amidst its infamous "satanic mills," Engels found himself in the heart of British industrialization and in the midst of the English working class and its major political movement of the time: Chartism. With English workers suffering much the same exploitation as their German counterparts, the Chartists had organized peacefully the previous May and presented a petition to the House of Commons – with over 3 million signatures – demanding democratic reforms, including universal adult male suffrage, giving propertyless workers as well as property owners the right to vote. It was overwhelmingly rejected.[16] That rejection, coupled with rising unemployment, led to a wave of strikes throughout much of industrial England. Engels wrote stories for the *Rheinische Zeitung* on the economic situation and the angry reaction of workers plunged into poverty through the loss of their jobs and with no hope from Parliament.[17]

His reports contain elements of an analysis of crisis – and its relation to revolution – that he would soon systematize: the necessity of industry to expand, the resulting need for markets, inevitable limitations on those markets, fluctuations in trade and crises of overproduction or glutted markets, at home or abroad. But crisis for the capitalists also means crisis for workers: overproduction means layoffs, rising unemployment and hunger. The more severe the downturn, the greater the suffering. He predicted that when a "large-scale trade crisis" creates "general lack of food among the workers," then "fear of death from starvation will be stronger than fear of the law" and, with peaceful petitions having failed, revolution will result.[18]

In this period "trade" refers to both domestic commerce and international trade. As capitalists' command over production expanded, they required profitable markets for their products. In his analysis of primitive accumulation, Marx would later show, in *Capital, Vol. 1*, Chapter 30, how capitalists' theft of locals' land and tools and their imposition of wage labor creates a "home" or domestic market. Then in Chapter 31, he would show how they repeated the process abroad via colonialism. In both cases, capitalist success required victory over the resistance of those being expropriated. At home, the repression required was justified, when anyone bothered, by such claims as the need for more "efficiency" in production, despite the way increasing mechanization

16 It was neither the first, nor the last Chartist petition. For a brief history see the Wikipedia article "Chartism".

17 "The English View of the Internal Crisis," Nov. 29, 1842, *MECW, Vol. 2*, pp. 368–69, "The Internal Crises," Nov. 30, 1842, *MECW, Vol. 2*, pp. 370–74, and "The Condition of the Working Class in England," December 20, 1842, *MECW*, *Vol 2*, pp. 378–79.

18 "The Internal Crises," *MECW*, *Vol. 2*, p. 373.

displaced workers and threw them into poverty. Abroad, colonialism, after crushing local resistance via military conquest of some and the co-optation of others, developed foreign markets and extracted cheap resources via exploited cheap labor, while rationalizing these actions with the racist rhetoric of "white man's burden" to "civilize" the supposedly backward and racially inferior natives.

Early on, international trade was justified in Britain by merchants arguing the need for trade surpluses to bring gold and silver into the country.[19] Their "mercantilist" arguments were soon replaced by those of British political economists such as Adam Smith (1723–1790) and David Ricardo (1772–1823) in favor of "free trade," which would supposedly benefit all trading partners. Although British imperialists touted that the sun never set upon the Union Jack, the same could be said of the banner of "free trade" carried by political economists and policy makers alike. These arguments supported an aggressive expansionism, while typically ignoring how all colonial powers, including the British, denied the markets they seized to others – so they really weren't "free" at all.[20]

Against such hypocrisy, capitalists operating in weaker nation states pitted arguments for the "protection of infant industries" against aggressive British expansionism. Capitalists in countries such as Germany and the United States sought bigger profits by getting tariffs and other barriers erected to keep out

19 This was an argument specific to Britain, whose colonies turned out to lack precious metals, unlike those of Spain in Mexico and Peru. Although later mercantilists replaced the crude arguments of "bullionists" by more sophisticated ones, they all argued – while asking for support from the government – that trade was the main path to increasing the local stock of precious metals and national wealth.

20 "Free markets" are a capitalist myth; both supply and demand have always been the object of manipulation by all concerned: capitalists, governments and customers (both other capitalists and workers). This is true for both input markets (for labor-power and the means of production) and output markets (for the final product). Domestic trade has been shaped by all sorts of government policies, from legal regulation and tax policies to direct subsidies. Foreign trade has also been manipulated through such means as tariffs, customs duties, and colonialism. This is even more obvious today, where governments regularly negotiate trade arrangements, codifying both domestic and international trade in laws, treaties and institutions, e.g., the Federal Trade Commission in the US, the General Agreement on Tariffs and Trade (GATT) and the World Trade Organization (WTO) at the global level. Lurking in the shadows behind those governments are generally intense capitalist efforts to shape agreements in their particular interests. Out front in broad daylight are often masses of consumers and workers protesting that influence and results inimical to *their* interests. Recent examples include cross-border opposition in Canada, the United States and Mexico to the North American Free Trade Agreement (NAFTA) and recurrent protests and disruptions of the WTO. The "Battle of Seattle" was only one of many such protests.

cheaper foreign (often British) imports. They too had their political economists as apologists. For example, George Friedrich List (1789–1846) sharpened the arguments of Adolphe Thiers (1797–1877) and Alexander Hamilton (1755–1804) into advice to both Prussian and American policy makers and laid out his arguments systematically in his book *The National System of Political Economy* (1841). All these proceedings and debates formed the backdrop to first Engels' and then Marx's turn to the study of political economy.

Marx's interest in political economy was stimulated, in part, from his efforts, as editor of the *Rheinische Zeitung*, to critique on-going legal debates over the laws dealing with peasants caught appropriating fallen wood in once common but now enclosed forests.[21] He also took up the economic problems of vintners in his native Moselle Valley. They were suffering a decline in the value of their wines and the absence of any helpful government action, such as a compensatory reduction of taxes. The situation seems to have been a byproduct of the creation of the *Zollverein*, a customs union that removed barriers to trade among several German states. As a result, the vintners were subject to competition from growers elsewhere in Germany. In addressing the conflict, Marx neither analyzed this background nor took up the ongoing debates over "free trade" and "protectionism" – as he would a few years later.[22] At this point, he only attacked government press censorship that inhibited open discussion.[23] With respect to these problems of peasants and vintners, years later he explained how he found himself "in the embarrassing position" of having to discuss them in print with no background knowledge.[24] Only in critiquing the

21 "Proceedings of the Sixth Rhine Province Assembly, Third Article, Debates on the Law on Thefts of Wood," *Rheinische Zeitung*, October and November 1842, *MECW*, *Vol. 1*, pp. 224–63. Such laws against direct appropriation on privately owned lands have been widespread and long predate capitalism. One thinks of the iconic tale of Robin Hood, who, in at least one version, was outlawed for poaching the "King's" deer. See, Chapter One of Howard Pyle, *The Merry Adventures of Robin Hood* (Racine: Whitman Publishing Company, 1883). Capitalists continued such practice, to criminalize appropriation, whether of wood, edible plants, or animals. On some laws against poaching see, Douglas Hay, "Poaching and the Game Laws on Cannock Chase," in Douglas Hay, et al., *Albion's Fatal Tree: Crime and Society in Eighteen Century England* (New York: Pantheon Books, 1975). On Marx's critique of the Law on Thefts of Wood, see Peter Linebaugh, "Karl Marx, the Theft of Wood, and Working-Class Composition: A Contribution to the Current Debate," *Crime and Social Justice* 6, (fall-winter, 1976): 5–16.

22 See below, Chapter 4, p. 208.

23 See his response to government complaints about treatments of these problems in the *Rheinische Zeitung,* "Justification of the Correspondent from the Mosel," *MECW*, *Vol. 1*, pp. 332–58.

24 "In the year 1842–43, as editor of the *Rheinische Zeitung*, I first found myself in the embarrassing position of having to discuss what is known as material interests." Karl Marx,

debate over the appropriation of fallen wood did he deal directly with workers' struggles. He sided with the peasants, pointing out how the Provincial Assembly permitted the forest owners to usurp the law in their own interest.

Regularly harassed by a government censor who rejected article after article, Marx nevertheless succeeded in publishing several essays by Moses Hess (1812–1875) discussing socialist and communist ideas.[25] Attacked for these articles by a more conservative newspaper, Marx responded by arguing not for communist ideas but for submitting "these ideas to thorough criticism … to long and profound study."[26] Indeed, he was soon engaged in just such careful reading of writers such as Étienne Cabet (1788–1856), Charles Fourier (1772–1837), and Pierre-Joseph Proudhon (1809–1865), all of whom inevitably raised issues of political economy.[27] Because Marx published article after article critical not only of oppression and poverty in Prussia but also of the injustice of legal reforms proposed by King Frederick William IV, all while demanding open public debate and complete freedom of the press from censorship, the government moved to suppress the *Rheinische Zeitung,* ordering its closing by the end of March 1843.[28]

"Preface" to *A Contribution to the Critique of Political Economy* (1859), *MECW, Vol. 29*, p. 262. Many years later, Engels affirmed that "Marx always used to tell me that it was precisely his preoccupation with the law on thefts of wood and the condition of the Mosel wine-growers that led him from politics pure and simple to economic conditions and thus to socialism." Engels to Richard Fischer, April 15, 1895, *MECW*, *Vol. 50*, p. 497.

25 Sometimes said to have been the individual who introduced communist ideas into Germany, Hess claimed to have influenced Engels during the latter's visit to Cologne earlier in 1842. "Engels, who was revolutionary to the core when he met me, left as a passionate revolutionary." Quoted in David McLellan, *Friedrich Engels* (Harmondsworth, UK: Penguin Books, 1977), 21.

26 See "Communism and the Augsburg *Allgemeine Zeitung*," *MECW*, *Vol. 1*, p. 220.

27 See Saul Padover, *Karl Marx: An Intimate Biography* (New York: McGraw-Hill, 1978), Chapter VIII.

28 Two things are worth noting. First, the suppression of the *Rheinische Zeitung* was part of a broader wave of repression that forced the closure of several papers that had dared to question or challenge the government. Second, not only was the Prussian government upset about public criticism, but it was, in turn, under pressure from the Czarist government in Russia for permitting the publication of articles critical of *its* policies. See, McLellan, *Karl Marx: A Biography*, 50. Throughout his life, Marx would single out the Czarist regime as being a primary bulwark of absolutism and reaction on the continent. Such repression of the press and criticism, along with the refusal of any form of democratic input into its decision making, illustrates why these regimes were called "absolutist." The monarchs demanded absolute power and tolerated no challenge. Such a regime was rejected during the American Revolutionary war, 1775–1783, and overthrown in France in 1789. Both capitalists and working-class revolutionaries sought the overthrow of such centralized power. In some cases, monarchies have survived by accepting constitutions,

1.1 *Paris and Manchester*

Following the shutting down of the *Rheinische Zeitung* in March and his marriage to Jenny von Westphalen (1814–1881) in June, Marx and his wife moved to Paris in October 1843. Once settled, he began to 1) make up for his ignorance of political economy by studying both English and French political economists[29] and 2) collaborate with Arnold Ruge (1802–1880) to launch a new paper. Their *Deutsch-Französische Jahrbücher* aimed at linking struggles in Germany and France by publishing articles by revolutionary intellectuals in both languages and developing contacts with workers. Although he was unable to attract contributions from those French socialists whose writings he had been studying, Marx did establish connections with both immigrant German and local French workers in Paris – often unable to speak each other's languages, organized separately, and often in conflict. These difficulties, caused by differing ideas and languages, undoubtedly contributed to Marx's life-long search for organizational ways to overcome them and unite workers' struggles across national, ethnic, and linguistic differences.[30]

In this situation, it is not surprising that Marx's studies of political economy were thoroughly mixed with the philosophical, legal, and political debates of the time. Engels, on the other hand, living and working in the midst of England's burgeoning manufacturing industry, was drawn to examine closely, and analyze carefully, the capitalism that surrounded him, first in Germany, then in

---

a small degree of democracy (originally, in nineteenth century Britain, only those with property could vote for members of parliament) and limits on its power. In a few cases, e.g., Islamic monarchies such as Saudi Arabia, royal families still cling to power – while others, such as Donald Trump and his followers, aspire to such status, admiring others who seem to have achieved it, such as Vladimir Putin (1952–), Xi Jinping (1953–), Kim Jong Un (1982–), and Viktor Orbán (1963–).

29 Among those he studied, according to Padover, were Adam Smith, James Mill (1773–1836), David Ricardo, his follower John Ramsey McCulloch (1789–1864), Jean-Baptiste Say (1767–1832), and Michel Chevalier (1806–1879), op. cit., p. 189. At the beginning of his *Economic and Philosophical Manuscript of 1844* (see below) he also recounted studying the German socialists Wilhelm Weitling (1808–1871), Moses Hess, and Frederich Engels (his *Outline*), MECW, *Vol. 3*, p. 232.

30 This problem continues to plague anti-capitalists world-wide. In these first decades of the twenty-first century, although English has, to some extent, become the common language of Empire for intellectuals, the bulk of material written about local struggles and assessing broader trends continue to be written in local languages and thus inaccessible to those unfamiliar with those languages. The arrival of the Internet and the creation of translation programs have ameliorated this situation somewhat, but the problem persists. As noted in the preface to the Polish translation of this essay, my inability to access Polish language materials on both Marx and Engels' writings and on contemporary conditions in Poland was frustrating because it limited my knowledge of both past and present.

England.[31] While Marx was still struggling with his Hegelian roots and writing "Contribution to the Critique of Hegel's Philosophy of Law" (1843–44),[32] Engels followed up his 1839 "Letters" and his 1842 reports from England by composing a systematic "Outline of a Critique of Political Economy" (1844), his first effort to set out elements of an understanding of crisis that they would soon share.[33]

In the "*Outline*", after first developing a critique of some of the economic categories of classical political economy (including private property, trade, value, price, rent, labor, and capital), Engels turns to a discussion of competition (between capitalists, between workers, and between classes), monopoly and trade crises. He establishes what would remain as some (but not all) of the basic tenets of Marxian crisis theory:

1. Crises are caused by production outstripping available markets. This he analyzes in terms of fluctuations in supply and demand and the impact of price changes on production:

> If demand is greater than supply the price rises and, as a result, supply is to a certain degree stimulated. As soon as it comes on the market, prices fall; and if it becomes greater than demand, then the fall in prices is so significant that demand is once again stimulated. So it goes on unendingly …[34]

2. This overproduction is the result of there being no plan to equalize aggregate production and aggregate demand, but only the frenzied efforts of

---

31 Engels was by no means unaware or had lost interest in either philosophical or political debates. He wrote a number of articles for local radical newspapers – the Owenites' *The New Moral World* and the Chartists' *The Northern Star* – about events, debates and political movements on the continent. See Volume 3 of *MECW*.

32 There are two parts to this text. The first is the main body of existing manuscript, *MECW*, *Vol. 3*, pp. 3–129. The second is an "Introduction," *MECW*, *Vol. 3*, pp. 175–87. Both the first and the second are available, in a different translation, at https://www.marxists.org/, under the title "Critique of Hegel's Philosophy of Right".

33 "Outline," (October - November 1843) (*Deutsch-Franzosische Jahrbucher,* 1844), *MECW, Vol. 3,* pp. 433–43.

34 Frederick Engels, "Outline of a Critique of Political Economy" (1843), first published in the *Deutsch-Französische Jahrbüicher*, 1844, *MECW*, *Vol. 3*, p. 433. Keep in mind that here, as elsewhere in Engels and Marx's analyses of supply and demand, they are NOT thinking in terms of the supply and demand *curves* familiar to modern microeconomics, but simply of the quantities of commodities being supplied to or demanded in markets. With the exception of a little-known French philosopher and mathematician, Antoine Augustin Cournot (1801–1877), who wrote a book on *Recherches sur les principes mathématiques de la théorie des richesses* in 1838, such curves were unknown until late in the nineteenth century.

different capitalists to keep ahead of both workers and other capitalists.[35] The implication, he argues, is that were workers to take over, they would produce only what they needed and thereby avoid crises.

> The law of competition is that demand and supply always strive to complement each other, and therefore never do so …[36]
>
> The struggle of capital against capital, of labor against labor, of land against land … drives production to a fever pitch …[37]
>
> If the producers as such knew how much the consumers required, if they were to organize production, if they were to share it out amongst themselves, then the fluctuations of competition and its tendency to crisis would be impossible.[38]

Beyond this Engels does not explain why, with no plan, production must outstrip demand *enough* to cause a crisis.[39]

3. The pattern of expansion, overproduction, crisis and recovery is a recurrent one:

> … trade crises, which reappear as regularly as the comets, and of which we have now on the average one every five to seven years. For the last eighty years these trade crises have arrived just as regularly as the great plagues did in the past …[40]

---

35 "Aggregate" in Keynesian macroeconomics is a synonym for total. In the case of production, it means the amount that all businesses will supply at a given price level. In the case of demand, it means the sum of all expenditures by consumers, business and government, plus net exports, also at various prices levels. In both cases, the aggregation is achieved by summing the *monetary* value of production and of expenditures.

36 Ibid., p. 433.

37 Ibid., p. 435.

38 Ibid., p. 434. This claim, of the possibility of planning supply as to properly meet demand, neither more nor less, was one side of a debate that has raged ever since. Soviet 5-Year plans quickly became the object of critique by those skeptical of the possibility of comprehensive planning. Classic theoretical arguments against the possibility were laid out by Ludwig von Mises (1881–1973) and Friedrich Hayek (1899–1992).

39 Economists and their models generally assume that capitalists will make small marginal adjustments in production in response to small changes in price and inventory and by so doing eliminate any kind of dramatic crisis of overproduction. The actual extent of crises, such as that of 1842 followed by the Chartist-led strikes, led Engels to foresee far more drama than imagined by economists.

40 "Outline of a Critique of Political Economy," *MECW*, *Vol. 3*, p. 433. Engels was by no means the first to recognize recurring patterns of general crisis. Malthus had argued for their existence against Ricardo, who believed that only single-market overproduction was

4. The crises get progressively worse over time as capitalism develops:

> … each successive crisis is bound to become more universal and therefore worse than the preceding one.[41]

5. Finally, crisis accentuates conflict between classes and will lead ultimately to revolution:

> … and finally causing a social revolution such as has never been dreamt of in the philosophy of the economists.[42]

Engels sees in this pattern a strange contradiction within capitalism that he and Marx would refer to repeatedly in the years ahead:

> A stage must be reached in the development of production wherein there is so much superfluous productive power that the great mass of the nation has nothing to live on … that the people starve from sheer abundance.[43]

Yet he also sees in this growth of productivity the basis of a possible social order in which increased social wealth and less work would go together:

> This immeasurable productive capacity, handled consciously and in the interest of all, would soon reduce to a minimum the labor falling to the share of mankind.[44]

---

possible. Both the Welsh industrialist and reformer Robert Owen – whose ideas and followers Engels and then Marx would soon critique – and the Swiss socialist Jean Charles Leonard de Sismondi (1773–1842) both observed and analyzed what economists would eventually call "business cycles." See, Owen's *Report to the Committee of the Association for the Relief of the Manufacturing Poor* (1817) and Sismondi's *Nouveaux principes d'économie politique, ou de la richesse dans ses rapports avec la population* (1819). Observations of such regularity became so common as to eventually provoke 1) economists to construct mathematical models that generate cycles, including the kind of ever-worsening fluctuations that Engels predicted, e.g., William Baumol, *Economic Dynamics* (1951, 1959) and 2) government and private agencies to collect data to keep track of and help predict business cycles, e.g., the US Department of Commerce, the National Bureau of Economic Research, and a host of private "forecasting" efforts.

41 Ibid., p. 434.

42 Ibid., p. 434.

43 Ibid., p. 435.

44 Ibid., p. 436.

Thus, he offers the beginnings of a vision of post-capitalist society based not on utopian speculation of the sort then popular among English and French socialists, but rather on an analysis of the actual pattern of development of capitalism and the possibilities created.

Two years later, in speeches at Elberfeld, Engels argues how this vision of less work could begin to be realized through the elimination of huge amounts of unproductive work. A businessman himself, it was easy for him to look around and identify numerous sources of wasted human time and energy in trade, i.e., speculators, swindlers, superfluous middlemen, exporters, commission agents, forwarding agents, wholesalers and retailers, all of which, he judges, "contribute nothing to the commodity itself."[45] But he goes on to identify many other areas where people are employed in jobs that exist only because of the inequities of capitalism, e.g., the police and those in the judicial system, primarily deployed against crimes provoked by unjustly distributed property, and standing armies used against workers at home and in colonies abroad and against other capitalist powers. Freeing all these millions from unproductive activities so that they could participate alongside those already employed in truly socially productive activities could reduce the labor required of each individual.

> Given a just distribution of social activity … the present customary labor time of the individual will be reduced by half simply by making use of the labor which is either not used at all or used disadvantageously.
>
> However, the benefits which communist organization offers through the utilization of wasted labour power are not yet the most significant. The greatest saving of labour power lies in the fusing of the individual powers into social collective power …[46]

---

45 Frederick Engels, "Speeches in Elberfeld," (on February 8 and 15, 1945) first published in *Rheinische Jahrbücher zur gesellshaftlichen Reform*, 1845, MECW, *Vol. 4*, pp. 246–47.

46 Ibid., pp. 251–2. Although Engels made no effort to actually count the number of people engaged in unproductive work or calculate by how much each individual's workload might be reduced by shifting such people's labor to more productive activities, odds have it that by his definitions the percentage of "unproductive" workers today is much higher than his speculations in 1845. Here too, Engels had his forerunners, from Aristotle, whom Marx would cite in *Capital* as dreaming of replacing slaves with robots, through William Godwin (1756–1836) who not only hoped for less work and more leisure but also argued that only capitalism stood in the way of progressively freeing people completely from work. See his *Enquiry Concerning Political Justice and its Influence on Morals and Happiness* (1793), (Harmondsworth, UK: Penguin Classics, 1985), especially Vol. II, Book VIII, Chapter VI: "Objections to this System from the Allurements of Sloth." The parallels between their arguments are striking. Godwin wrote. "What is this quantity of labour that a state of equality will require . . . ? It is so light as rather to assume the guise of agreeable

Beyond the sphere of production, Engels goes on to make a similar argument about the labor savings that could be gained by reorganizing the sphere of reproduction, i.e., housing and family life. As one possible step, he recommends the proposals by Robert Owen to replace separate individual houses by communal palaces where both resources and labor could be saved through collective heating, cooking, etc.[47]

Thus, Engels' concern with crisis and class struggle is directly connected with his vision of a world beyond capitalism, which workers can construct. No mere academic concern, but that of a revolutionary grappling with the present to change the future.

Marx read Engels' "Outline", made a short, two-page summary of it in his notebooks and published it in the first (and only) issue of the *Deutsch-Französische Jahrbücher*. The failure of his summary to make any mention of Engels' discussion of crises suggests that he was not yet focused on the issue.[48]

His own first effort at synthesizing his previous study of philosophy and his more recent study of economics, were the *Economic and Philosophical Manuscripts of 1844*, which he wrote during the summer before he met Engels in Paris and began to work closely with him. In that text, Marx draws from his reading of Adam Smith and other classical political economists the same conclusion as

---

relaxation and gentle exercise than of labour . . . There will be no persons devoted to the manufacture of trinkets and luxuries; and none whose office it should keep in motion the complicated machinery of government, tax-gatherers, beadles, excise-men, tide-waiters, clerks and secretaries. There will be neither fleets nor armies, neither courtiers nor lacqueys. It is the unnecessary employments that, at present, occupy the great mass of every civilized nation . . . From the sketch which has been given, it seems by no means impossible that the labour of every twentieth man in the community would be sufficient to supply to the rest all the absolute necessities of life. If then this labour, . . . were amicably divided among the whole, it would occupy the twentieth part of every man's time . . . half an hour a day employed in manual labour by every member of the community would sufficiently supply the whole with necessaries." pp. 745–46.

47 Ibid., pp. 252–53. Some of these ideas were put into practice in "Red Vienna" in the late 1920s when the city was governed by the Social Democratic Workers' Party of Austria. While passing through that city in 2012, I had the pleasure of being taken to explore the most famous of such housing, the Karl-Marx-Hof, built for about 5,000 residents. It is worth keeping in mind that in many indigenous communities around the world the kind of collective cooking, clothes washing, etc., that Engels envisioned are common, albeit not in modern public housing. I've observed such in both Mexico and India. The breaking up of such collective behavior is typical of capitalist tendency to divide and conquer in the sphere of the reproduction of labor-power – a process that has probably reached its nadir in American suburbs full of single-family dwellings, famously parodied (along with the kinds of people such division tends to produce) in the song *Little Boxes* written and sung by Malvina Reynolds (1900–1978) in 1962. Available on YouTube.

48 "Summary of Frederick Engels' Article," *MECW*, *Vol. 3*, pp. 375–76.

Engels, namely that crisis in the overall economy results from overproduction driven by competition – between capitalists, between capitalists and workers, and between workers. He writes:

> Finally, as the amassing of capital increases the amount of industry and therefore the number of workers, it causes the same amount of industry to manufacture a larger amount of products, which leads to over-production ...[49]

And:

> Whilst labour brings about the accumulation of capital and with this the increasing prosperity of society, it renders the worker ever more dependent on the capitalist, leads him into competition of a new intensity, and drives him into the headlong rush of over-production, with its subsequent slump.[50]

Like Engels, he also emphasizes how the growth in the division of labor, while crippling workers within capitalism, does raise productivity, making possible the liberation of workers' time from work and the flowering of human being beyond work. In parallel to Engels' speeches at Elberfeld, Marx cites Friedrich Wilhelm Schulz (1797–1860):

> In France it has been calculated that at the present stage in the development of production an average working period of five hours a day by every person capable of work could suffice for the satisfaction of all the material interests of society ...[51]

Finally, in these long-unpublished pages, Marx directly confronts the class antagonisms that underly all the competition leading to crisis: the capitalist imposition of alienating work, exploitation, and workers' resistance. His analysis in these pages does not yet have the precision that his later theoretical work would make possible, but it does reveal the heart of the phenomenon of crisis – the antagonism between classes – and how revolution is the only path beyond it to communism.

---

49 "Economic and Philosophical Manuscripts of 1844," MECW, *Vol. 3*, p. 238.

50 Ibid., p. 240.

51 Ibid., p. 242. The passage is from Schultz, *Die Bewegung der Production* (Movement of Production), Zurich und Winterthur, 1843.

When political pressures from the Prussian and French governments killed the *Deutsch-Französische Jahrbücher*, Marx joined the staff and wrote for the journal *Vorwärts! Pariser Deutsche Zeitschrift*, a liberal German language journal published in Paris, made more radical by Marx's contributions. In them, he both critiqued others' ideas and politics, which he felt were erroneous and dangerous – like those of Ruge with whom he had parted ways – and began to analyze those workers' struggles he had found at the heart of crisis.

In a long article – published in two issues of *Vorwarts!* – Marx attacks Ruge's dismissive response to the June 1844 uprising of weavers in Silesia, then a province of Prussia.[52] Like the vintners in the Moselle Valley, the weavers were suffering from competition resulting from trade. Unlike them, they were also suffering from the very capitalist introduction of labor-displacing machinery. Against Ruge's dismissal, Marx hails the character of the weavers' rising as social, as a true proletarian revolt – however limited – against not just the political system but against capitalism. Indeed, he compares their rising favorably with the recent worker strikes reported by Engels from England and those by weavers in Lyons, France a decade earlier. Citing a song sung by the weavers, he argues that the lyrics aimed not only at the machines that were displacing them but also at the "ledgers, titles to property" of their employers and the bankers, the "hidden enemy" behind those employers.[53] His celebration of the revolt of Silesian weavers and condemnation of their repression so enraged the Prussian government that it successfully pressured the French government to close *Vorwarts!* and expel Marx from France in January 1845.

Prior to that expulsion, a visit by Engels to Paris in late August and a meeting with Marx resulted in ten days of intense discussion and the beginning of their first joint project – an attack on the Young Hegelians. Conceived as a short pamphlet, Marx amplified the attack into a 300-page manuscript, published in February 1845 as *The Holy Family: The Critique of Critical Criticism, Against Bruno Bauer and Company*. In the course of *his* critique, Marx dissects and demolishes *their* critique of Proudhon, praising him both as the first to recognize the negative effects of changing property relationships on human society and as having his analysis firmly anchored in the real concrete life of social struggle.

---

52 "Critical Marginal Notes on the Article 'The King of Prussia and Social Reform. By a Prussian," *Vorwärts!*, August 7, 10, 1844, *MECW*, *Vol. 3*, pp. 189–206. Engels had mentioned the turmoil in Silesia in two articles written for *The Northern Star*, No. 346, June 29, 1844, *MECW*, *Vol 3*, pp. 530–31 and pp. 532–34.

53 His attention to these workers' own words, can be seen as a forerunner to his later "Worker's' Inquiry" (1880), aimed at a systematic study of workers' own perspective on their work, exploitation, and alienation.

While Marx was finishing that project, Engels proceeded on his own to research the conditions of life and struggles of workers within the accumulation of capital in Britain. Based on his study of official reports and his personal observations, he then wrote a detailed analysis of his findings. His research covered both working conditions in factories and the lives of workers outside those satanic mills: their poverty, horrible living conditions, inadequate nutrition and susceptibility to disease, all worsened by periodic losses of jobs and income during commercial and industrial crises.[54] The result was his authoritative *The Condition of the Working Class in England* (1845), dedicated to "the working classes of Great Britain."[55]

In two chapters, Engels develops his analysis of crisis and class struggle. The capitalists' pitting of Irish workers against English ones, he argues, "has deepened the chasm between workers and the bourgeoisie, and hastened the approaching crisis." He draws upon the medical notion of crisis and applies it to capitalist society.

> The course of the social disease from which England is suffering is the same as the course of a physical disease; it develops according to certain laws, which has its own crises, the last and most violent of which determines the fate of the patient. And as the English nation cannot succumb under the final crisis, but must go forth from it, born again, rejuvenated, we can but rejoice over everything which accelerates the course of the disease.[56]

At the same time, as before, he focuses on crisis as a necessary outcome of the "unregulated production," the outcome of industrial competition, and insists on the "perpetual" periodicity of the cycle. Once more, he attributes the onset of crisis to the problem of overproduction, or the glutting of the market. He

54 On the devastations of disease due to low income, execrable living conditions and lack of medical care, see, *MECW*, *Vol. 4*, pp. 364–65, 396–400. Perhaps the most notable parallels during the current pandemic of Covid-19 are Engels' descriptions of the grossly overcrowded living conditions of workers and their families – the universal prescription for the spread of disease. Much the same problem persists today among those at the bottom of the income hierarchy: those who can barely afford to rent a roof over their heads, much less multiroom dwellings where intra-family "distancing" is possible and among those with no roof at all, homeless and living in the street, often huddled in little clusters of tents under overpasses or in abandoned buildings.

55 *MECW*, *Vol. 4*, pp. 295–583.

56 *MECW*, *Vol. 4*, p. 419. Engels rejoicing at "everything which accelerates the course of the disease" would become a recurrent theme among not only Marxists but also reactionaries in the form of "accelerationism."

implicitly supposes that all markets for particular goods would eventually be glutted, and that the problem arises because capitalist producers cannot judge when that will happen. In this work, he details the phases of the crisis more systematically than he had done in the "Outline".[57] He also describes more completely the process through which speculation and credit act both to stimulate investment and production and to accelerate collapse.[58]

Engels' major innovation, however, dealt with the relation between crisis and the class struggle. He formulated more clearly how the maintenance of competition among workers, e.g., between the English and the Irish, constituted the key to capitalist control and how the generation of an unwaged "reserve army" increased that competition. The rapid growth of the reserve army, which occurs during crises as workers are laid off, has two effects. First, it weakens those who retain their jobs, making it easier for capitalists to force down wages. Second, this very process contributes to the growth in class tensions, especially anger among those who lost their jobs. As a result, those workers ....

> ... begged, not cringing like ordinary beggars, but threatening by their numbers, their gestures and their words ... Here and there disturbances arose ... The most frightful excitement prevailed among the workers until the general insurrection broke out throughout the manufacturing districts.[59]

In his chapter on "labor movements" Engels traces how these tensions grew and were transformed by workers into combinations and trade unions, escalating their struggles into an intense conflict between the classes. In his political analysis of these workers' struggles, his theory of crisis plays a critical

57 Ibid., pp. 381–82.

58 Although all investment is a kind of speculation on uncertain future profits, here Engels is referring to money spent buying either commodities or securities in anticipation of either an increase or decrease in their value. In such speculative expenditures profit is sought, not by employing workers and the means of production to produce new commodities – what many economists call "*real* investment" – but rather by gambling on the future prices of the items purchased. Speculation can stimulate the economy to the degree that the excitement stimulated by the influx of money actually results in more real investment. But to the degree that it merely contributes to unsustainable overproduction of commodities or to a "bubble" in asset prices, the inevitable sudden fall in prices or devaluation of assets creates a crisis.

59 *MECW*, *Vol. 4*, p. 387.

role. On the one hand, he argues that the laws of supply and demand would always conquer the unions:

> All these efforts naturally cannot alter the economic law according to which wages are determined by the relation between supply and demand in the labor market. Hence the Unions remain powerless against all great forces which influence the relation.[60]

However, he also argues forcefully that these struggles are by no means hopeless but are indeed essential. They prevent capitalists from lowering wages as quickly as they otherwise would during a downturn and "then too, the unions often bring about a more rapid increase of wages after crisis than would otherwise follow."[61] In this way, "the active resistance of the English working-men has its effect in holding the money greed of the bourgeoisie within certain limits."[62] But more than this, these short-term struggles over wages point beyond the trades unions whose power is limited by the institutional framework. Trade union struggles, Engels writes, constitute "schools of war" for workers preparing them for revolution:

> These strikes, at first skirmishes, sometimes result in weighty struggles; they decide nothing, it is true, but they are the strongest proof that the decisive battle between bourgeoisie and proletariat is approaching. They are the military school of the workingmen in which they prepare themselves for the great struggle, which cannot be avoided.[63]

Because the crisis reappears; the struggles reappear:

> Stagnation in business and the want consequent upon it engendered the revolt at Lyons in 1834 … in 1842 at Manchester, a similar cause gave rise to a universal turnout for the Charter and higher wages.[64]

---

60 Ibid., p. 505. Eventually, Engels and Marx would demonstrate how some of those "great forces" are not exogenous but are shaped by workers' struggles.

61 Ibid., p. 506.

62 Ibid., p. 507.

63 Ibid., p. 512. The gist of these arguments would be reiterated in Marx's lectures in 1865. See below, p. 40.

64 Ibid.

> The crisis of 1842 came on. Agitation was once more as vigorous as in 1839.[65]

Based on this pattern Engels accurately predicts not only the subsequent crisis of 1847 but also a renewal of struggle—albeit not as successful as he hoped.

> The approach to Socialism cannot fail, especially when the next crisis directs the workingmen by force of sheer want to social instead of political (parliamentary action) remedies. And a crisis must follow the present active state of industry and commerce in 1847 at the latest … The working men will carry their Charter …[66]

As the crisis of 1847 unfolded, Engels narrates how as cotton textile factories laid off workers and announced a reduction in wages for those still employed, a meeting of worker delegates "from all over the country" threatened to strike:

> This strike, together with the strike of the Birmingham iron-workers and miners which has already started, would not fail to assume the same alarming dimensions which signaled the last general strike, that of 1842.[67]

At the same time, Engels saw how the "liberal" bourgeoisie tried to use the crisis against both workers and landlords by fomenting protest against the Corn Laws, e.g., tariffs against imported grain. Passed in 1815 in the wake of the Napoleonic Wars (1803–1815) at the behest of landlords, the Corn Laws (1815–1846) kept up the price of grain and by so doing also kept up landlords' rents. Inevitably, the high price of grain also made bread more expensive, forcing capitalists to pay higher wages and obtain lower profits than they would like. Thus, their opposition.

In support of their condemnation of the Corn Laws, capitalists drew on the political economist David Ricardo who argued that rising wages (due to the higher price of bread) and increased rents, which financed only the luxurious lifestyles of the landed aristocracy, squeezed industrial profits, which were

---

65 Ibid., p. 520.

66 Ibid., p. 524. While time proved Engels right about how crisis engenders uprisings, it proved his optimism overblown about "the working men … carrying their Charter." They never did. It wasn't until the Reform Act of 1867 that substantial numbers of working *men* gained suffrage – itself only one of the Chartist demands. Women would only gain equal suffrage in 1928 – as the result of decades of struggle.

67 Frederick Engels, "The Commercial Crisis in England – The Chartist Movement – Ireland," October 23, 1847, (*La Reforme*, Oct. 26, 1847) *MECW, Vol. 6*, pp. 308–9.

vital to investment and growth.[68] So, they organized against those laws, forming a nation-wide Anti-Corn Law League in 1839. When the crisis of 1842 came on, they saw an opportunity to incite workers in their cause, appealing to the latter's need for cheaper bread. In his chapter on labor movements, Engels describes how some capitalists provoked workers into action in the hope workers would turn their frustration and rage against the landlords.

> The bourgeoisie was determined to carry the repeal of the Corn Laws with the help of the crisis, the want it entailed, and the general excitement [worker protests] … the Liberal bourgeoisie half abandoned their law-abiding habits; they wished to bring about a revolution with the help of the workers …

But how to provoke that help? With the crisis causing capitalists to lay off workers and unemployment rising, those workers who still had their jobs were loath to walk off them in protest.

> it was not the working-men who wished to quit work, but the manufacturers who wished to close their mills and send the operatives into the country parishes upon the property of the aristocracy, thus forcing the Tory Parliament and the Tory Ministry to repeal the Corn Laws.[69]

---

68 Against this support for Anti-Corn Law legislation, the landlords had Thomas Malthus (1766–1834) who defended the laws, basically arguing that given the recent wars, England needed to be self-sufficient in food production and keeping tariffs on grain high would help achieve that. See his *The Corn Laws* (1814) and his *Grounds of an Opinion on the Policy of restricting the Importation of Foreign Corn* (1815).

To this Ricardo responded first, that once large scale exports of grain to England became normal and expected, no country could shut off such exports without disastrous consequences to their own agriculture and the danger of popular revolt (he cited the results of Bonaparte's cutting off of Russian grain exports as an example), second, England could, as in the past, obtain grain from other countries especially once the free opening of British markets led producers in other countries to expand production expressly for the purposes of exporting to England, and third, that any decline in English agricultural production due to cheap grain could be softened by an gradual freeing of trade and at any rate capital withdrawn from agriculture would be invested in manufacturing to good effect and any decline in landlord consumption due to the fall in rents would be compensated for by a rise in the expenditure of profits and wages. See his *An Essay on the Influence of a Low Price of Corn on the Profits of Stock* (1815).

69 Ibid., p. 520. Engels drew upon this chapter for an article on "The History of the Corn Laws" for the *Telegraph für Deutchland*, December 1845, MECW, *Vol. 4*, pp. 656–61.

Unfortunately for the capitalists, as Engels details, instead of going after the landlords, thousands of workers, who were outraged at having their wages cut, instead mobilized against the capitalists demanding "a fair day's wages for a fair day's work" and spread their strikes quickly from mill to mill and town to town. At which point, as Engels relates "the bourgeoisie … resumed its law-abiding attitude, and placed itself upon the side of the government as against the working-men."[70]

Beyond his descriptions and theory of crises and class struggle, Engels also used his analysis as the basis for an explicit critique of the bourgeois socialists of his day (such as the English Owenites and the French Utopians). His support for strikes and wage struggles included support for the Chartists whose cause he openly endorsed. This was a position that he and Marx would continue to hold through the forties as they broadened their writings to develop these views in *The German Ideology* (1844–45),[71] in the *Poverty of Philosophy* (1847),[72] and in the *Communist Manifesto* (1948).

As Marx and Engels' first joint work, *The Holy Family* (1845) was primarily concerned with their critique of the Young Hegelian socialists, so too was their second, *The German Ideology*. Although *The German Ideology* represented a distinct advance in the development of their perspective, especially the first section on Ludwig Feuerbach (1804–1872) where they set out their view of history, it had virtually nothing to add to the work Engels had already done on crises *within* capitalism. Rather, the major thrust was to set out their views on the centrality of class conflict in the evolution of social orders and to distinguish the class struggles of capitalism from those in earlier class societies. They distinguished between the "productive forces" and the "forms of social intercourse" or, as they would later say, the "relations of production." The development of the former, they argued, is at first stimulated by, but then constrained by the latter. This situation they saw as key to the collapse of one social order and the transition to the next. In this sense, their work did contribute to the theory of crisis, at least with respect to the fundamental forces acting to undermine capitalism as a system:

> Thus, all collisions in history have their origin, according to our view, in the contradiction between the productive forces and the form of intercourse.[73]

70 Ibid., p. 521.
71 *MECW, Vol. 5,* pp. 19–537.
72 *MECW, Vol. 6*, pp. 105–212.
73 *MECW*, *Vol. 5*, p. 74.

The concrete specificity of this development, however, remains even less clear in *The German Ideology* than it was in Engels' works, where the periodical contradiction between the productive forces (as production/output) and the forms of intercourse (the market) was defined in terms of an overproduction crisis and accentuated working-class struggle on the path to revolution. Much of Marx and Engels' subsequent work on crisis in which the forces and dynamics of this process are more fully developed, can be seen as the elaboration of the concept of the "forms of intercourse" acting as fetters on the productive forces. As spelled out in Chapter 3 below, this reaches its fullest development in Marx's "mature" works where the "forms of intercourse" are grasped in terms of the necessary imposition of – and worker resistance to – labor, value and the surplus value; all of which become harder and harder to impose as production and productivity expand.

1.2 *Brussels*

Based on their experiences in France and England, and the analysis in the "Outline" and in *The Condition of the Working Class in England,* Marx and Engels decided to begin political organizing in 1846–47. Expelled from Paris by the Guizot government in January 1845, Marx moved to Brussels. There, after working with Engels on *The German Ideology* and joining the newly formed International Democratic Association, they decided to launch a Communist Correspondence Committee to broaden their contacts and expand the number of adherents to their analysis before engaging directly in any existing political movement. Through exchanges of letters and meetings they sought to link together, through themselves, working class militants in Germany, France, and England. Their major effort in his project was directed toward the League of the Just, a clandestine organization based in London among German émigrés, with a public German Workers' Educational Union. The League's members had left behind the insurrectionism of Louis Auguste Blanqui (1805–1881), turning first to the utopianism of Fourier and Cabet in France but then moving towards the Chartists.[74] As already mentioned, Engels had established close ties with the Chartists and written several articles for their journal. When the League of the Just convened a congress in 1847, members adopted many of Marx and Engels' ideas and changed the name of their organization to the Communist League. At that point, Marx "turned the Brussels Corresponding Committee into a branch" of the renamed organization.

74 See McLellan, Chapter III, Section III on "The Founding of the Communist League," pp. 154-76.

Failing to attract Proudhon to their Committee, Marx and Engels complemented their support for the Chartists with attacks on the French socialist movements. Although he had praised Proudhon in *The Holy Family*, in his polemical *Poverty of Philosophy* (1846–47) Marx excoriates the man's economic analysis, his method, and his politics. Here, as they would do in the *Communist Manifesto* (1848), the theory of crisis bolstered their advocacy of working-class wage struggle and revolution against utopians, bourgeois socialists and others. He used arguments similar to those laid out earlier by Engels in *The Condition of the English Working Class*[75] to attack Proudhon's opposition to wage struggles. Proudhon had argued against them on the grounds that wage increases could only lead to higher prices and hence scarcity.

Against that argument, Marx points out that wage struggles lead not only to price increases, but also to the development of production as capitalists are forced to introduce new machines to replace troublesome workers. (This important point is taken up in detail in Chapter 4, Section 4.3 below.) Again, like Engels, he points out that worker combinations and strikes had been growing constantly:

> In spite of both of them [economists and socialists], in spite of manuals and utopias, combination has not ceased for an instant to go forward and grow with the development and growth of modern industry.[76]

Why was this? Because, Marx writes, of the very dynamic of industrial organization and the exploitation of workers:

> Large-scale industry concentrates in one place a crowd of people unknown to each other. Competition [between workers] divides their interests. But the maintenance of wages, this common interest which they have against their boss, unites them in a common thought of resistance-combination.[77]

---

75 *MECW, Vol. 4,* pp. 375–388, 397–99, 501–29; 579–83.

76 Karl Marx, "The Poverty of Philosophy" (1847), *MECW, Vol. 6*, pp. 105–210.

77 Ibid. Eventually, in the late 1970s, the high development of workers' self-organization and struggle in large factories and offices led to a reversal of the tendency to concentrate workers that Marx identifies. Some capitalists began to consciously disperse their labor force – a sort of return to something like the early putting out system in which employees work at home on machines and raw materials provided by their employers – whether material or digital – and once transformed/produced into output returned to them. When this reversal began to be noticed in Italy, it led to a national conference on the "Diffused Factory" in June of 1978, at the Università degli Studi di Milano, Milan, Italy. Much of the

This transformation of resistance into permanent combinations spreads, Marx notes, until it assumes the general character of a struggle in which the workers affirm themselves as a class.

> If the first aim of resistance was merely the maintenance of wages, combinations, at first isolated, constitute themselves into groups as the capitalists in their turn unite for the purposes of repression, and in face of always united capital, the maintenance of the association become more necessary … In this struggle—a veritable civil war—all the elements necessary … for a coming battle unite and develop. Once it has reached this point, association takes on a political character … In the struggle, of which we have pointed out only a few phases, this mass becomes united, and constitutes itself as a class for itself, the interests it defends become class interests.[78]

As in Engels' "schools of war," Marx argues that only through combinations and strikes does the working class really become a class capable of overthrowing the bourgeoisie. He said little about the relation between crises and the class struggle, but where he did mention it, he implied that the struggles were often less intense during periods of prosperity, thus agreeing with Engels' linking of more intense class struggle with periods of crisis.

> If in 1844 and 1845 strikes drew less attention than before, it was because 1844 and 1845 were the first two years of prosperity that English industry

---

discussion at that conference, which I attended, focused on the role of this "diffusion" of workplaces in the evolution of class struggle in Italy – given how the spatial dispersal of workers makes their autonomous interaction and coordination difficult. For a sample of the issues, see *Quaderni del territorio: ristrutturazione produttiva e nuova geografia della forza-lavoro* (anno I, n. 1, 1976). Since then, "work at home" has become fairly common, both among regular employees, especially but not uniquely among those who work on computers and whose work is easily monitored by their employers, and precarious workers hired for one task at a time. In the wake of the student movements of the 1960s, there was some experimentation in the US with the "diffusion" of campuses that would make it hard for students to organize. Such "diffusion" of labor expanded considerably during the Covid-19 pandemic in both industry and in schools. Since then, the discovery by stay-at-home workers of the advantages of managing your own work without direct oversight has prompted some business to try get them back in the office and under immediate supervision. The long-term impact on the organization of work remains to be seen – and will, undoubtedly, be determined by struggle between workers and their bosses.

78 "The Poverty of Philosophy", *MECW*, *Vol. 6*, pp. 210–11.

> had had since 1837. Nevertheless, none of the trades unions had been dissolved.[79]

When the Communist League decided a "confession of [their] faith" should be drafted and discussed, Engels set to work, eventually coming up with a text titled "The Principles of Communism."[80] In that text, which amounted in many ways to a first draft of the *Communist Manifesto,*[81] he reiterates his earlier analysis of crises within capitalism and how they would lead to revolutionary "ferment." With the rapid growth of capitalist industry, he writes,

> very soon more was being produced than could be used. The result was that the goods manufactured could not be sold, and a so-called trade crisis ensued. Factories had to stand idle, factory owners went bankrupt, and the workers lost their bread … After a while the surplus products were sold, the factories started working again, wages went up, and gradually business was more brisk than ever … the state of industry has continuously fluctuated between periods of prosperity and periods of crisis … and every time it has entailed the greatest misery for the workers, general revolutionary ferment, and the greatest danger to the entire existing system.[82]

The gist of this account was applied by Marx to fluctuations in wages in lectures given in December of 1847, but not published until later (see below).[83]

Written primarily by Marx but drawing on Engels' "Principles" draft, the *Communist Manifesto* announced the political credo of the Communist League. The *Manifesto* was written during the crisis of 1847, just before the revolutions that swept Europe in 1848. The *Manifesto* provided both an analysis of the development of capitalism—including its crises—and a prescription for action in the forthcoming social conflict.

At last, Engels' analysis of crisis began to be integrated in an important way into their joint works in support of their political position. Beyond *The German Ideology*, where crisis was conceived in the very general terms of "the history of the revolt of modern productive forces against modern conditions

---

79 Ibid., p. 208.

80 *MECW*, *Vol. 6*, pp. 341–357.

81 Terrell Carver does a side-by-side comparison of passages in the two texts in his *Marx & Engels: The Intellectual Relationship* (Bloomington: Indiana University Press, 1983), 87–94.

82 *MECW*, *Vol. 6*, p. 347.

83 Karl Marx, "Wages," *MECW*, *Vol. 6*, pp. 424–25, 429–30, 432.

of production," or against forms of "social intercourse," in the specific case of capitalism, the "productive forces" are the machines, workers, and their organization while the "conditions of production" are, above all, the need to sell the commodities produced in markets. They see crises emerging from the inability to coordinate the two phenomena.

> It is enough to mention the commercial crises that by their periodical return put on trial, each time more threateningly, the existence of the entire bourgeois society.[84]

So, the contradiction between the forces and relations of production lead to revolution via the path of Engels' recurrent, worsening crises. What is the origin of these crises? What exactly is meant by the inability to control the productive forces? The meaning lies in the tendency for production to outstrip the bourgeois ability to handle it:

> In these crises there breaks out an epidemic that, in all earlier epochs, would have seemed an absurdity—the epidemic of over-production … there is too much civilization, too much means of subsistence, too much industry, too much commerce … The conditions of bourgeois society are too narrow to comprise the wealth created by them.[85]

But if Marx means more by the phrase "too narrow to comprise the wealth" than commercial breakdowns, he does not specify it here. Nor would he set out a systematic explanation for some years. But if he does not explain the forces involved in this loss of control, he does see clearly how capital deals with the problem:

> And how does the bourgeoisie get over these crises? On the one hand by enforced destruction of a mass of productive forces; on the other by the conquest of new markets, and by the more thorough exploitation of the old ones.[86]

And yet, these measures cannot solve the problem permanently because the same forces that have led to the development of the productive forces will do so again with the same result:

---

84 Karl Marx & Frederick Engels, "The Communist Manifesto" (1848), *MECW*, *Vol. 6*, p. 489.
85 Ibid., pp. 489–90.
86 Ibid., p. 490.

> That is to say, by paving the way for more extensive and more destructive crises, and by diminishing the means whereby crises are prevented.[87]

These crises of capitalism are linked to the rise of the proletariat and to the class struggle by the growth of industry and trade which tend to unite the working class secularly in their struggles with capital. As they become "concentrated in greater masses," crises aggravate those struggles by increasing the fluctuations of wages:

> The growing competition among the bourgeois, and the resulting commercial crises, make the wages of the workers even more fluctuating … the collisions between individual workmen and individual bourgeois take more and more the character of collisions between two classes. There upon the workers begin to form combinations (Trade Unions) against the bourgeois; they club together in order to keep up the rate of wages.[88]

Although he was not very clear, Marx again seems to be arguing that working class struggles—aimed at "keeping up" wages in the face of fluctuations—would be particularly intense during periods of downturn and crisis. Certainly, this was consistent with his and Engels' observations on the rise of the Chartists after the crisis of 1836, their experience in 1846 to 1848 and Marx's critique of Proudhon.

But if the *Communist Manifesto* primarily presents an analysis of the class struggles of a rapidly developing capitalism, it was also written in a period in which that development on the continent was constrained and hindered by governments not yet under the control of capitalists. Both France and Prussia were ruled by authoritarian monarchies. Thus, the support of Rhineland industrialists for the *Rheinische Zeitung* whose pages regularly carried articles critical of those constraints. Thus too, the government censorship, harassment, and ultimate banning of the paper, complemented by driving its most acerbic critic, Marx, out of the country. The same drama was repeated in Paris, by the French and German governments closing down the *Deutsch-Französische Jahrbücher* and then, *Vorwärts!* while forcing Marx to leave France for Belgium.[89]

---

87 Ibid.

88 Ibid., pp. 492–93.

89 The contemporary, early twenty-first century, return of authoritarian behavior among neo-fascist governments in Europe and the US, has brought a return to attacks on independent criticism in the press quite like what Marx and comrades were experiencing in

Beyond these general observations and endorsements of wage struggles, Marx and Engels also focus on the historical specificity of the crisis of 1846–48 that they see leading toward inevitable uprisings against the established orders. They argue – against the views of petty-bourgeois, "true" bourgeois, and critical utopian socialists – that working-class struggle is absolutely necessary. They see these upheavals in Europe as crises, not of capitalism but of the existing monarchies, which claimed absolute power, unchecked by either the emerging capitalist class or by workers. Thus, they view these uprisings as bourgeois revolutions aimed at replacing the power of monarchs with elections, some form of democracy. Through these means capitalists seek control of the state, civil liberties, and freedom of the press, which would provide both vehicles to spread bourgeois ideology and better flows of information about problems facing their ability to govern.[90] Such changes, Marx and Engels judged, would improve the terrain of struggle for workers. Therefore, they called for the

---

the 1840s. Trump-the-pathological-liar's unsubstantiated branding of all critical reports as "fake news" has been adopted by several authoritarian governments in Europe. (At last check, the *Washington Post* had cataloged over 30,000 Trump lies.) These attacks have been aimed at obscuring stepped up repression of a wide variety of hard-earned rights, through legislative action and vicious rhetoric which has encouraged violence – against both individuals and democracy itself, e.g., voter repression and the January 6, 2021 effort to block the peaceful transfer of power through a physical assault on the US Capitol. Along with the attacks on women's reproductive rights, by SCOTUS' overturning of Roe and the passage of anti-abortion legislation in all too many states, we are also seeing a new wave of attacks on LGBT+ rights. In June 2021, Hungarian lawmakers passed legislation banning any mention of LGBT+ in schools or any media available to minors – in direct violation of EU rules. https://www.pinknews.co.uk/2021/06/15/hungary-anti-lgbt-homophobia-propaganda-law-ban-fidesz-viktor-orban-section-28/ This anti-LGBT+ crackdown is being repeated in the US by neo-fascist state governments such as DeSantis' in Florida with his "Don't Say 'Gay'" law.

90 Although Marxists, for obvious reasons, have generally emphasized the ideological role played by the capitalist press – which has never been as "free" as it has pretended – just as important has always been the interclass intelligence provided to capitalist policy makers by reporters' stories about conflicts within the system. A "free press" dramatically multiplies ruling classes' sources of intelligence. These sources of information often arrive sooner, and sometimes are more reliable, than more "serious" studies of such conflicts by academics and government bureaucrats commissioned to study them. One of the great weaknesses of authoritarian governments that suppress such information flows is how they rarely know what is going on before conflicts explode. This weakness of nineteenth century pre-capitalist authoritarian governments was replicated in the twentieth century in the USSR and its client states – as was plainly revealed in upheavals such as those in East Germany in 1953, in Hungary in 1956, in Czechoslovakia in 1968, in the food protests in the USSR in the 1970s, in the emergence of *Solidarność* in Poland in 1980 and ultimately in the collapse of those regimes. In case after case, the suppression of the press and of revelatory dissent resulted in uprisings for which the regimes were totally unprepared,

working class to support such revolutions as a necessary step – one that would dramatically improve political conditions – before turning against the bourgeoisie itself. This position, they would later decide, in the light of subsequent events, was ill-advised.

When the continental upheavals of 1848–49 exploded with the February Revolution against King Louis Philippe in France, the March Revolution against King Frederick William IV in Germany and uprisings in Italy, Austria, and so on, Marx and Engels found themselves no longer theorizing about crisis and revolution but face-to-face with the reality. They immediately joined the fray, supporting both demands for democracy against feudal and monarchical power and insurrectionary actions. When the Democratic Association in Brussels demanded that the Belgian government arm workers, several of its members, including Marx and his wife were arrested, briefly jailed and deported.

1.3 *Paris*

From Belgium they travelled to Paris where Marx's previous expulsion was rescinded by friends in the new Second Republic government who invited him back. There, Marx took part in the political meetings of the Society of the Rights of Man and sought out militant groups of German workers. Once joined by Engels, they set up a German Workers' Club and created a new Central Committee of the Communist League. As events unfolded, they opposed the formation of a militia of armed German workers to overthrow the Prussian government from the outside. When others did form a "German Democratic Legion", it was quickly crushed. On the other hand, when news came of mass demonstrations in Berlin and of King William conceding parliamentary elections, a constitution and freedom of the press, Marx and Engels returned to Cologne – with copies of the *Communist Manifesto* in hand – to join the revolution. They also brought with them leaflets containing "The Demands of the Communist Party in Germany" calling for such things as the unification of Germany, universal suffrage, arming of the people, land reform to free peasants of feudal obligations, nationalization of transport and making it free to

---

having lost the potential for preventive measures that better information might have made possible.

The flip side, the vulnerability to capitalist rule created by a "free press" are the ways workers have found to use it for their own purposes, from using reports in capitalist media to circulate their analyses and even their struggles (more efficient than illegal efforts like *samizdat* in the USSR and Eastern Europe), to the creation of their own above-ground press media, from handbills and flyers to newspapers and journals to circulate their ideas more effectively – as Marx and Engels repeatedly sought to do through their journalism.

"the impecunious classes," a progressive income tax, state guaranteed employment – to offset the negative effects on workers of capitalist crises – and free education.[91]

1.4 *Cologne*

In Cologne, they created a *"Neue" Rheinische Zeitung* through which they carried on their propaganda work. When conflicts in the Communist League led to the dissolution of its Central Committee in May of 1848, the *Zeitung* became the focal point for their organizational work as well as their propaganda. During this period of almost a year, Marx and Engels worked, through their paper and political co-workers, to influence the direction of the struggle. Everywhere in Europe, the old order was being challenged, in national assemblies by bourgeois democrats and in the streets by workers demanding both democracy and improvements in their wages, working conditions and standards of living. In the beginning, Marx and Engels argued forcefully for the strategy developed in the *Manifesto*: support for working-class struggles, but also for the bourgeois revolt against absolutism. They argued against those who would confine workers' struggles to "economic" issues, e.g., wages, arguing the need for both workers and peasants to join the fight to change the political system to gain more latitude for struggle, e.g., freedom of the press, which in those moments made their *Zeitung* possible.

But, as events unfolded in 1848, Marx and Engels were forced to modify their position by overwhelming evidence that the bourgeoisie was not taking sufficient action or leadership to ensure the success of what they viewed as its own revolution – one spearheaded by workers, but in support of capitalist priorities. In France, they saw the National Assembly turn against the workers by moving to abolish the National Workshops that provided wages. That action brought on the "June Days" of revolt, viciously repressed by the new government. In country after country, they saw liberal capitalists joining with conservatives to compromise with absolutism and betray the very workers and peasants who had been in the streets fighting for their demands. In "The June Revolution", Marx analyzed the betrayal in France, which led to Cavaignac's slaughter of thousands and the deportation of thousands more.[92] That betrayal, he argued, outlined a pattern repeated elsewhere on the continent. In his analysis, he directly addressed the relationship between class struggle and industrial crisis.

Unemployed workers had risen in February against the regime of King Louis Philippe during a crisis, demanding the creation of public employment

91 MECW, *Vol. 7*, pp. 3–5.

92 "The June Revolution," *Neue Rheinische Zeitung*, June 28, 1848, MECW, *Vol. 7*, pp. 144–49.

(the National Workshops) to ward off poverty and starvation, as well as participation in government, the Second Republic and National Assembly. But that government, with only two members representing workers' interests, not only canceled the workshops but also proved unable to deal with crisis. It was not, Marx writes, "within the power of any assembly any more than of a king to tell a universal industrial crisis – *advance up to this point and no further*."[93] All it did do was abandon any effort to alleviate worker suffering and by so doing bring on greater revolt.

If, during most of 1848, the *Neue Rheinische Zeitung* had played down the class conflict between workers and capital, the abandonment of leadership by the bourgeoisie caused them to re-emphasize the autonomy of the working class and support independent action on its part as the only way to avoid catastrophe. To spell out their analysis of this abdication by the Prussian bourgeoisie of its role, Marx wrote a series of articles: "The Bourgeoisie and the Counter-Revolution" in December.[94] To bring the working class-capital conflict back to the center of discussion by showing how the interests of workers and capitalists were opposed, Marx published another series of articles in the *Zeitung* under the title "Wage Labor and Capital" (1849) – essentially the lectures he had prepared the previous year.[95]

As was to become his wont, in these articles, Marx roots his analysis of wages in that of commodities in general because workers sell their labor-power to capitalists as a commodity. In his exposition, crisis is presented, once again, as the result of overproduction. First, crises for capital:

> These fluctuations, which, looked at more closely, bring with them the most fearful devastations and, like earthquakes, cause bourgeois society to tremble to its foundations ... [96]

And then crises for workers. As capital and its command over labor is accumulated, he explains,

> there is a corresponding increase in earthquakes ... in a word, crises increase. They become more frequent and more violent ... A lord, at once aristocratic and barbarous, [capital] drags with it into the grave

93 Ibid., p. 148.
94 *MECW*, *Vol. 8*, pp. 154–78.
95 *MECW*, *Vol. 9*, pp. 197–228.
96 Ibid., p. 208,

> the corpses of its slaves, whole hecatombs of workers who perish in the crises.[97]

Besides demonstrating the unavoidable opposition between workers and capitalists, Marx also countered reactionary arguments that blamed the depressed economy and high unemployment on the continent on social unrest. A *Zeitung* editorial on the "The State of Trade," published in March 1848, demonstrated with historical data how downturns were the result of overproduction exacerbated by speculation and accentuated by financial collapse and how the crisis of 1847 that originated in England circulated to the continent. He did not, however, entirely ignore the contribution of workers' struggles to crises, while maintaining that capitalist behavior could lead to crises. "The revolutions," he argues, "contributed to the fact that now and then trade stagnated … [but] In Southern Germany, on the Rhine, in Hamburg and in Berlin, with or without the revolution we would have had our bankruptcies."[98]

As revolutionary efforts in Europe – by both timid bourgeois liberals and insurgent workers – were defeated by the old regimes, conflicts broke out among the factions fighting for change, financing for the *Zeitung* dried up and individuals suffered increased police and military repression. In September 1848, a state of siege was declared in Cologne and on October 4th an arrest warrant was issued for Engels and another editor of the paper.[99] Engels and Marx were forced to leave the city. Marx went to Paris where he was again expelled and then moved on to London. Engels also left Cologne but joined the insurrection in Baden to give the popular army whatever advice he could, based on his own military training. He stayed until the revolt collapsed in July when he fled to Switzerland and eventually back to London.

1.5 *London*

In London, Marx and Engels set about two urgent tasks. The first was rebuilding the Communist League. They felt that the defeats on the Continent would soon be followed by a new round of revolution, and they wanted to be

97 Ibid., p. 228.

98 *MECW*, *Vol. 9*, p. 7. Eventually, this vision of crisis as occurring independently of workers' struggles would be abandoned as Marx discovered more and more of the "internal" dynamics of capitalist development to be aspects of class struggle. Such passages, however, have provided some Marxists with grounds for their belief that overproduction as a cause of crisis is a phenomenon driven by forces autonomous of workers' actions and the latter are mere reactions to the former. I return to this issue in Chapter 5 on "Predispositions to Crisis."

99 The other editor was not Marx, but Heinrich Bürgers (1820–1878). *MECW*, *Vol. 7*, p. 593.

organizationally prepared. This new upheaval they expected to envelope both England and the Continent, as the end of British prosperity of 1848–49 would coincide with crisis across the channel:

> … as this crisis will inevitably coincide with great clashes on the Continent, it will bear fruit of a very different type from all preceding crises. Whereas hitherto every crisis has been the signal for further progress, for new victories by the industrial bourgeoisie over the landowners and financial bourgeoisie, this crisis will mark the beginning of the modern English revolution.[100]

> The effects of the trade crisis now breaking will be more significant than those of any crisis hitherto. It coincides with the agricultural crisis which already began with the repeal of the Corn Laws in England and was intensified with the recent good harvests. For the first time England is simultaneously experiencing an industrial crisis and an agricultural crisis. This double crisis in England is being hastened and extended and made more inflammable by the simultaneously impending convulsions on the Continent, and the continental revolutions will assume an incomparably more pronounced socialist character through the recoil of the English crisis on the world market.[101]

> Political developments on the Continent are likewise pressing daily more urgently towards a showdown, and the coincidence of trade crisis and revolution, which has already been mentioned several times in this Revue, is becoming more and more certain.[102]

These comments, written in the spring of 1850, reflected both a continuing optimism that all was not lost and analytical links among prosperity, crisis, and the pattern of working-class revolt.

Their autocritique and planning involved two thrusts. First, they reaffirmed their new belief in the necessity of autonomous working-class action even within an essentially bourgeois revolution. In the discussion and debate within the re-established Communist League, Marx and Engels emphasized this autonomy as a prerequisite for the inevitable conflict between workers and capital that would follow bourgeois success in overthrowing absolutist

100 "Review: January–February 1850," *MECW*, *Vol. 10*, pp. 264–65.
101 "Review: March–April 1850," *MECW*, *Vol. 10*, p. 340.
102 Ibid., p. 341.

regimes. They argued for maximizing working-class strength in the struggle against absolutism, including the maintenance of its own ability with arms after victory and the creation of working-class organizations and alternative state functions, as the only possible way to avoid subsequent defeat.[103]

Second, they undertook an extensive analysis of the experience of their own activity (in the Communist League) and of the course of the Revolution in general. Removed from the heat of the conflict for the first time in a year, they had time to reflect and to try to grasp the general forces that had shaped the Revolutions and that would shape the future. In this reflection, they leaned heavily on their analysis of economic crisis and its relation to the class struggle.

Their initial optimism, however, did not last. As the counter-revolution was secured across Europe, Marx returned to his studies of political economy and a closer examination of the pre-1848 economic crises and their relation to the 1848 revolutions. The results of these studies were published as articles in the *New Rheinische Zeitung Revue* in 1848 and 1849. The most important of these articles, for their evolving theory of crisis and class struggle, was the "Review (of international economic and political development): May-October 1850," which appeared in the last issue of the *Revue*.[104]

In this article Marx and Engels traced both the emergence of crisis in England as a product of the industrial and commercial expansion of 1843–45 and the spread of that crisis to the Continent. There is no major change in their interpretation of the causes and nature of crisis. They attribute its source to the emergence of overproduction despite the opening of new Far Eastern markets and new trade and investment outlets in the New World. There is no new explanation as to the reason why this overproduction is inevitable, but there is considerable analysis of the role played by speculation in accentuating its developments and impact. They analyze the development of speculation in railways, cotton, corn, and foreign trade – the expansion of credit and the creation of false ventures, e.g., those designed purely to make quick profits through stock issues on non-existent assets – one of those things that Marx would later analyze under the title "fictitious capital." (See Chapter 5, Section 3.3.)

> Based on the real expansion of the British and continental railway systems and the speculation which was bound up with it, there gradually arose during this period a superstructure of fraud reminiscent of the time

103 History has demonstrated, again and again, that one of the first signs that a new post-revolutionary regime is turning against workers and peasants is the demand for the surrender of arms by everyone except the official police and military.

104 "Review: May–October 1850," *MECW*, *Vol. 10*, pp. 490–532.

> of Law and the South Sea Company. There were projects for hundreds of lines which had not the slightest chance of success, which their very authors never had any intention of really carrying out and whose sole purpose indeed was to enable the directors to squander the deposits and to make fraudulent profits from the sale of stocks."[105]

When this superstructure of speculation and fraud collapsed, it led quickly to the restriction of the production on which it had been based:

> Speculation regularly occurs at times when over-production is already in full swing. It provides channels by which this over-production may temporarily be diverted, whilst by this very process hastening the onset of the crisis and magnifying its impact. The crisis itself first breaks out in the field of speculation and only seizes hold of production later. Not over-production but over-speculation, itself only a symptom of over-production.[106]

It was from this capitalist crisis at the English heart of the European economy that subsequent crises on the Continent sprang. "The first repercussions of the crisis appeared on the continent as early as October (1847) … As the crisis abated in intensity in Great Britain, so it increased on the Continent and affected places that it had not hitherto reached."[107] By the time the Revolutions broke out in France in February 1848 and in Germany in March, the crisis in England was over, but the crisis in those countries well under way. Marx and Engels grappled with the problem of trying to sort out the direction of

---

105 Ibid., pp. 491–92. The "Law" referred to here is John Law (1671–1729), a banker and ex-con from Scotland, who founded the Banque Générale Privée in 1716, nationalized a year later, at Law's request, to become the Banque Royale or first central bank of France. He used it to create the *Compagnie d'Occident* (The Mississippi Company) in 1717 and obtain for it a government-sanctioned monopoly on trade in Louisiana and the West Indies. Law encouraged speculation on the Company's shares, which resulted in the Mississippi Bubble that burst in 1720 and bankrupted the Banque. See, James Narron and David Skeie, "Crisis Chronicles: The Mississippi Bubble of 1720 and the European Debt Crisis," New York Fed, *Liberty Street Economics* (January 10, 2014). https://libertystreeteconomics.newyorkfed.org/2014/01/crisis-chronicles-the-mississippi-bubble-of-1720-and-the-european-debt-crisis/ The South Sea Company was a British joint-stock company, founded in 1711 and like the Mississippi Company was granted a monopoly to trade in the Americas – mainly in slaves. Here too speculation resulted in a dramatic rise in the value of the Company's stock, the South Sea Bubble, which also burst in 1720.

106 Ibid., p. 490.

107 Ibid., p. 496.

causality between this economic crisis and the political upheavals that swept Europe, and they found causes running each way. With respect to, "The Panic which broke out in Paris after February and spread throughout the continent at the same time as the revolutions …"[108], they find the causes indeterminate:

> In the case of failures of bankers and traders in other places on the Continent, it is impossible to decide to what extent they arose from the continuation and gradual spread of the commercial crisis … or to what extent they were really consequences of losses resulting from the revolution panic.[109]

Nevertheless, they offer the general reflection that:

> However, this much at least is certain, that the commercial crisis contributed infinitely more to the revolution of 1848 than the revolution to the commercial crisis.[110]

They used this same reasoning to understand how returning prosperity cut short class conflicts in England. They trace the numerous beneficial effects of the Continental upheaval on the economies of England and the United States. In both cases, new prosperity was partly built on the capital that flowed out of the Continent during the upheaval, and partly on the elimination of outlets for speculation, which forced capital into productive enterprise. They argued, that although the crisis had begun in England, its circulation to Europe had contributed to English prosperity, thereby helping to undercut all revolutionary movement there (that is, the Chartists), "The French Revolution of 1848 saved the English middle class,"[111] where capital's power and thus its ability to cope was greatest:

> While, therefore, the crises first produce revolutions on the Continent, the foundation for these is, nevertheless, always laid in England. Violent outbreaks must naturally occur rather in the extremities of the bourgeois

108 Ibid., p. 497.
109 Ibid., p. 497.
110 Ibid.
111 "Preface" to the 1892 English edition of *Condition of the Working Class in England in 1844, MECW, Vol. 27*, p. 263.

> body than in its heart, since the possibility of adjustment is greater here than there.[112]

The return of prosperity to England, they went on to show, was soon followed by the defeat of the revolutions and the spread of prosperity to the Continent in its turn – lagging in recovery as in crisis. Faced with this widespread recovery during the summer of 1850, Marx and Engels were forced to conclude that this development would undermine any quick return of a revolutionary situation.

At the same time, they began to look at the European situation within the framework of their analysis of the contradiction between the forces of production and forms of social intercourse. They began to think that perhaps the development of the forces was not as advanced as they had previously thought — that there was still room for further development before the crisis. The new soberness in their assessment of the situation was accompanied by the conviction that crisis must eventually return and through it the revolution.

> With this general prosperity, in which the productive forces of bourgeois society develop as luxuriantly as is at all possible within bourgeois relationships, there can be no talk of revolution. Such a revolution is only possible in the periods when *both these factors*, the *modern* productive *forces* and the *bourgeois forms of production*, come in *collision* with each other … A new revolution is possible only in consequence of a new crisis. It is, however, just as certain as this crisis.[113]

The upshot of this analysis was the conviction on the part of Marx and Engels that the revolutionary possibilities, which they had expected to re-emerge soon, would be much longer in coming. They gave reasons in the Review to think that a crisis might recur as early as 1852, but they apparently did not put much faith in this prediction. They were soon embroiled in political infighting within the Communist League over the proper course of action.

The change in their views was evidenced in their opposition to others who desired to continue to organize as if a new revolutionary surge was imminent. As a result of this conflict, the League split. With the continuing success of reaction on the continent, especially the successful destruction by Prussian police

112 Karl Marx, "Class Struggles in France," January – November 1, 1850, *MECW*, *Vol. 10*, p. 134.
113 Ibid., p. 135.

of the League's organization in Germany in 1851, Marx and Engels decided to officially terminate the organization in 1852.[114]

This brought to a close their active participation in the political struggles of the period, as they both turned to research, writing, and making a living. For the next decade they would think, study and write in more or less complete isolation from active political movement. In this, they were not simply abandoning the field of action, but following the only realistic course open to them in the light of the defeat suffered by the working classes in England and Europe, and their belief that major political movement would only be generated by another round of major crises. Their return to research was part of the general movement of the working class in this period to relinquish the initiative in the class struggle and heal its wounds in preparation for struggles to come.

It was during this long decade of relative working-class quiescence that Marx was able to return to his studies of political economy and work on the development of the basic theoretical framework necessary to a more precise understanding of the class relations of capitalism. Here he went back to the early efforts of Engels' "Outline" and of his own *Poverty of Philosophy* to critique the categories and theories of political economy and construct a meaningful and consistent analysis of capitalism as a social system. It was during this period that his conceptualization of how the labor theory of value could be used as the key to a quantitative and qualitative analysis of capitalist relations took shape. This was a work of many years for Marx and interspersed with his job as a journalist for the *New York Herald* and other papers, all carried out under conditions of much personal poverty and ill health.

When the crisis of 1851–52, which Marx and Engels had predicted, finally arrived, it was of considerably less amplitude—a "minor trade crisis"—and was accompanied by no significant resurgence of working-class struggle. In the continuing atmosphere of industrial prosperity and the rapid growth of European capitalism, which characterized the next five or six years, Marx and Engels carried on their solitary efforts. It was only slowly that they came to recognize that the crisis of the late 1840s was not a prelude to a final massive upheaval of capital and the revolution that they had expected, but rather a prelude to a long period of capitalist expansion. "The revival of trade, after the crisis of 1847," Engels would later write "was the dawn of a new industrial epoch."[115]

---

114 Biographers debate whether Marx officially dissolved the Communist League, or it just fell apart. David McClellan, for example, suggests "It seems probable that Marx exercised the power granted him in Brussels . . . to declare a formal dissolution . . .," McClellan, *Karl Marx: A Biography*, 183.

115 "Preface," op. cit., *MECW*, *Vol. 27*, p. 258.

2 Years of Theory, 1857–1867

The first few years of the 1850s, after the split in the Communist League, were politically quiet ones for Marx. His endless studies in the British Museum, reading, copying excerpts, and making notes, were interrupted only by his work as a journalist. Those studies bore theoretical fruit in 1857 when the outbreak of a major crisis provoked him to pull his thoughts together. Despite the crisis causing the *New-York* [*Daily*] *Tribune* to reduce his already low payments by half, making his financial situation even more dismal,[116] he was nevertheless excited by the revolutionary potential of a crisis he had been anticipating since the beginning of the decade. "Though my own financial distress may be dire indeed, never, since 1849, have I felt as cozy as during this outbreak," he wrote to Engels.[117]

2.1 *From Notes to Weighty Tomes*

In a tremendous burst of energy Marx worked night after night for months, pulling together his notes and synthesizing the new ideas that he had been developing over the past several years. As he wrote to Engels, "I am working like mad all night and every night collating my economic studies so that I at least get the outlines clear before the déluge." The *déluge* was an expected revolutionary upheaval – such as the Revolutions of 1848, which had followed the crisis of 1847.[118]

The result was a series of notebooks – published long after his death as the *Grundrisse*,[119] which many consider not only the first moment in the production of Marx's so-called "mature" works, but also the first "draft" of what would become *Capital*.[120] Although unpolished, they embodied a tremendous leap

116 Franz Mehring, *Karl Marx, The Story of His Life* (Ann Arbor: University of Michigan Press, 1918, 1962), Chap 9, 255. Mehring uses the title *New York Tribune*, which was correct except for the years from 1842 to 1866 when it bore the title *New-York Daily Tribune*.

117 Marx to Engels, November 13, 1857, *MECW*, *Vol. 40*, p. 199.

118 Marx to Engels, December 8, 1857, *MECW*, *Vol. 40*, p. 217.

119 The *Grundrisse der Kritik der Politischen Ökonomie,* or *Fundamentals* (or *Outlines*) *of the Critique of Political Economy*, remained unpublished in full in German until 1939–41 and in English until 1973.

120 This is the position of the editors of *MECW*, who sometimes call it "the original rough version of *Capital*." See Vol. 28, p. XI, and sometimes "the first version of *Capital*," Vol. 30, p. X, of Enrique Dussell in his "The Four Drafts of Capital: Towards a New Interpretation of the Dialectical Thought of Marx," *Rethinking Marxism* 13, no. 1 (2001): 10–26 and of Fred Moseley in his Introduction to *Marx's Economic Manuscript of 1864–1865*. It was not the position of either David McLellan or Antonio Negri who saw in the *Grundrisse* manuscripts a much greater synthesis of ideas only some of which would eventually appear

forward in Marx's theoretical work. Despite his excitement and fervent wish, the crisis of 1857 did not result in another explosion of revolutionary activity, neither in England nor on the Continent, as had happened in 1848. In that absence, Marx continued his theoretical efforts.

To polish, sharpen, reorganize, and clarify in his own mind and for publication, Marx repeatedly reworked the ideas in these notebooks in three more manuscripts leading up to *Capital*. The first, which he published in German in 1859, was his *Zur Kritik der Politischen Ökonomie,* or *A Contribution to the Critique of Political Economy* – largely a rewrite of the first part of the *Grundrisse*, which dealt with value and money.[121] The second, intended as a continuation of *Zur Kritik* was the huge "Manuscript of 1861–63" – comprised of 23 notebooks and 1,472 pages.[122] The entire manuscript has only recently become available in English in *MECW* (Vols 30–34), published from 1988 to 1994.[123] The third was the "Manuscript of 1864–65," supposedly a complete draft of *Capital*, although the part corresponding to Volume 1 has been lost. The parts containing the material which Engels prepared as Volumes 2 and 3 have just recently been published in English.[124] All these texts contain analyses of the possibilities of crisis and various forces at work tending to bring them about.[125]

---

in *Capital*. See McLellan's *Karl Marx: A Biography* (1973), pp. 275–284 and Negri's much more elaborated interpretation in his *Marx Oltre Marx: Quaderno di Lavoro sui Grundrisse* (Milano: Feltrinelli, 1979). In English as: *Marx Beyond Marx, Lessons on the Grundrisse* (New York: Autonomedia, 1991).

121 *Zur Kritik* was published in Berlin in June 1859. An English translation by N. I. Stone was published in English by Charles Kerr & Co. in Chicago in 1904. A different translation by Salo Ryazanskaya was published in 1970 by the troika of Progress Publishers in Moscow, Lawrence Wishart in London and International Publishers in New York. That translation was also the basis of the one provided in *MECW*, *Vol. 29*, pp. 257–417.

122 A big chunk of the manuscript would be edited by Karl Kautsky (1854–1938) and published in three volumes as *Theories of Surplus Value.* That material was re-edited and translated into English and the three volumes were published sequentially by Progress Publishers (Moscow) as *Theories of Surplus Value: Volume 4 of Capital,* Pt. I in 1963, Pt. II in 1968 and Pt. III in 1971.

123 The "Manuscript of 1861–63" was published for the first time, in German, in the *MEGA* in 1976–82.

124 The section corresponding to Vol. II of *Capital* was published in German in *MEGA* in 1988 and the rest was published in 1992. The first English translation was published as *Marx's Economic Manuscript of 1864–1865*, (Brill, 2015, Haymarket Books, 2017). The chronology is from Fred Moseley's introduction.

125 The availability in 2015 of an English translation of the original *Manuscript of 1864–1865*, out of which Engels crafted Volume 3, now makes it possible for those of us without knowledge of German to compare the original manuscript with Engel's edited version. Unfortunately, the editor – Fred Mosely – by only linking the new translation to *MEGA* and not to the Penguin edition of Volume 3, which is the version most easily available,

All this work of theoretical thinking and writing elaborated a whole series of concepts in an increasingly clarified manner. This allowed Marx and Engels to dissect a wide variety of phenomena they had been studying in the development of the class struggle more clearly than ever before. As sketched below in Chapters 3–8, these concepts allowed them both to more clearly grasp the conditions of capitalist development and to analyze those conditions, both their realization and their crises, in terms of the ongoing struggle between workers and their exploiters.

Devoted to thinking through these things with the ever-present goal of helping workers both understand what their class enemies were up to and their possibilities of rupturing those plans, their theories were unclassifiable in terms of contemporary scholarly "disciplines." Yes, they studied some philosophers and drew upon some of their concepts to enrich their own insights, yet they were not philosophers, per se. Yes, they studied the political economists of their time – ever apologists, strategists and tacticians for capital – but they were not political economists, much less the even more narrowly focused economists of the twentieth century and today. So, reading their theory as philosophy or as an alternative economic theory of capitalism fails to see how they drew upon every theoretical effort they found useful to understand

---

has made finding a familiar passage from Volume 3 within the *Manuscript* a tedious, time-consuming business. Similarly, because he bracketed the material Engels left out merely with the karats > and <, I highly recommend reading the text with a highlighter to more clearly identify those words and passages.

The earlier publication of the manuscript in German gave rise to considerable debate among Marxologists about the importance of what Engels included, what he left out and what he changed, and the importance of the differences. See for example: Martha Campbell and Geert Reuten, eds., *The Culmination of* Capital: *Essays on Volume III of Marx's* Capital (New York: Palgrave, 2002). Unfortunately, the theoretical perspectives of those engaged in the debates and their resulting preoccupations are so different from my own as to make most of the debate irrelevant to this project. The same situation obtains with regard to similar volumes written in reaction to the availability of original manuscripts which Marx wrote in crafting Volume 1 and from which Engels extracted and compiled Volume 2, e.g., Riccardo Bellofiore and Roberto Fineschi, eds., *Re-reading Marx: New Perspectives after the Critical Edition* (New York: Palgrave, 2019), Michael Heinrich, *How to Read Marx's* Capital*: Commentary and Explanations on the Beginning Chapters* (New York: Monthly Review Press, 2021), Fred Moseley, *Marx's Theory of Value in Chapter I of* Capital: *A Critique of Heinrich's Value-Form Interpretation* (Palgrave Macmillan, 2023), Christopher Arthur and Geert Reuten. eds., *The Circulation of Capital: Essays on Volume Two of Marx's Capital* (London: Macmillan Press, 1998). To the degree that I have found any of this new source material useful in clarifying Marx and Engels' thinking on crisis beyond the material in the Penguin editions of Volumes 1 - 3, I have included references and appropriate footnotes.

capitalism and get beyond it – from philosophy and political economy through the kinds of approaches that today are classified as sociological, or anthropological, or political science or radical critical social theories, e.g., those of the radical social critics of their time, utopian socialists like Robert Owen, Charles Fourier or Saint Simon and anarchists such as Proudhon and Bakunin. They even drew inspiration from the analyses of the scientists of their day who were developing new theories and understanding of mathematics, thermodynamics, chemistry, and biology both in the abstract and in application to industry, in both commodity production and consumption. They examined not only how things were made but also the consequences of industrial processes for the safety or dangers of the commodities produced. One example: adulteration of foods, which sometimes merely lessened their nutritional value and sometimes made them quite poisonous to their consumers.[126]

Another result of their theoretical development was to facilitate recognition of how many phenomena, often seen as exogenous factors (intervening from the "outside,") could be grasped as quite internal to the overall dynamics of the class struggles of capitalism. To take just a couple of examples, both "natural disasters," such as epidemics or pandemics or floods or droughts, and wars, ranging from those between nation states through civil wars and colonial conquest, not only turn out to be moments of the more general class war constituted by ever-present struggles between workers and capitalists but also to play quite contradictory roles. For example, those "natural disasters" may cause crises in various moments of capitalist reproduction but how capitalist policy makers respond may turn them into weapons against workers aimed at counteracting workers' struggles. Wars, say between nation states, may cause crises in some moments of capitalist reproduction, e.g., cutting off trade, killing off workers drafted into military service (mostly working-class men), but those conflicts may also include surges in investment and production, deployed in such a way as to counter worker struggles at home. Or, however, "productive" a war may initially appear, in terms of one national government seizing territory and resources, stimulating growth and providing a "nationalist" excuse to repress dissent at home, its negative effects on workers, both within the armed forces and in civilian life may be so great as to trigger a revolutionary uprising

126 With bread being the most basic consumption commodity of European workers in those days, it was fitting that Marx focused on how capitalists adulterated bread to cut costs and maximize profits, reducing its nutritional value to workers. See his discussion in Chapter 10, Section 3 of Volume 1 of *Capital*. Such practices continue to this day, despite the rise of workers' awareness of such practices and the formation of specialized groups dedicated to ferreting out and exposing them, e.g., the private, non-profit Consumer Reports, founded in 1936, and government agencies such as the Food and Drug Administration.

disrupting capitalist accumulation far more than the war itself.[127] Marx and Engels recognized these contradictory aspects and analyzed them in the different stages of activity which capitalists must realize in order to reproduce their system on an expanded scale.[128]

By the time the first volume of *Capital* appeared in 1867, Marx and Engels had re-entered the political arena.

2.2 *The First International* (*1864–1876*)

Their return to active political life came after a decade (1852–62) of rapid capitalist expansion, a multiplication of the industrial proletariat and a resurgence of workers' struggles that included the formation in 1864 of the International Working Men's Association (the First International). This Association was initially formed by an assortment of British unionists, Owenites, French workers, Proudhonists and even a professor or two. They were all men and aimed at coordinating activities in supporting strikes and preventing the international use of

127 This was clearly the case when the Franco-Prussian War (1870–71) triggered the revolutionary rising that created the Paris Commune. (See below) A more recent and well-known example was the Russian revolution in 1917 – partly spurred by the effects of Czarist participation in WW1.

128 Both Marx and Engels grew up in a nineteenth century plagued by all kinds of war. Some examples: wars among pre-capitalist groups, e.g., the Ashanti-Akim-Akwapim War in West Africa (1814–16), wars of colonial conquest e.g., the First Anglo-Ashanti war in the Gold Coast (1823–31), the First Anglo-Burmese War (1824–26) in South Asia, the French conquest of Algeria (1830–1903), national liberation from colonialism, e.g., the wars of independence in South America (Brazil 1820–22), in Southeast Asia (Java War 1825–30) and in the Caribbean (Haitian Revolution 1791–1804, the Cuban War of Independence 1895–1898), civil wars, some short, e.g., the June Uprising in France (1848), some long, the American Civil War (1861–65), the First Central American Civil War (1826–29), wars among the major European powers, e.g., the Crimean War (1853–56) and revolutions, e.g., the July Revolution in France (1830), and, of course, the Revolutions of 1848 in which both Marx and Engels took part in Germany. Marx was born two years before the end of the Napoleonic Wars in 1815, which were soon followed by wars of liberation e.g., of Greece against the Ottoman Empire (1821–32). Engels, born two years later, received military training in the Prussia Army shortly before he met Marx in 1842. Although he attended some university classes, and reportedly preferred beer hall debates among Young Hegelians to the parade ground, something stuck such that over the years he contributed more to the study and writing about war than his more university-educated comrade. See, Tristram Hunt, *The Frock-Coated Communist: The Life and Times of the Original Champagne Socialist* (New York: Penguin Books, 2009). For both, however, wars constituted crises in structures of social power, increasingly of capitalist power to structure the world according to its own rules.

scab labor.[129] Marx and Engels were invited to join the Association and quickly moved to prominence. Marx wound up preparing the final versions of the Inaugural Address and Provisional Rules – not easy given the conflicts among the different groups of workers involved: British Chartists, French Proudhonists, Italian Mazzinites, and so forth. Indeed, Giuseppe Mazzini (1805–1872), whose followers had prepared the first draft of the Inaugural address, was furious at Marx's rewrite.[130] In that address, despite acknowledging some success in extending the scope of the 1847 Ten Hours' Bill and the creation of some industrial cooperatives, Marx recapped the history of class struggle since the defeats of 1848 emphasizing the contradiction between industrial growth and persistent poverty, periodically worsened by "the quickened return, the widening compass, and the deadlier effects of the social pest called a commercial and industrial crisis."[131] The objective of the International, at least from Marx and Engels' point of view, was stated cleanly by the latter, years later: "Its aim was to weld together into one huge army the whole militant working class of Europe and America."[132]

Once the International was launched, Marx and Engels set to work, as they had in the Communist League, spreading their own views among the membership and critiquing opposing tendencies. Although the organization had been founded on the principle of organizing across borders and there was general agreement to demand a universal working day of eight hours (adopted at their congress in Geneva in 1868), there were also important disagreements.

One concerned the wisdom of struggles to increase, or prevent the decrease, of wages. It was within this debate that Marx delivered the two lectures that were later published as *Value, Price and Profit*.[133] These lectures, which set out in capsule form the theory and arguments that would appear in *Capital* two years later, were written during the "real epidemic of strikes, and a general

129 The all-male character of the organization was challenged by Harriet Law (1831–1897), a prominent secularist and feminist speaker who wrote a letter to the organization on women's rights. As a result, she was asked to join the General Council of the International. Although she played a role for five years, she remained the sole woman on the Council.

130 McLellan, *Karl Marx: A Biography*, 347.

131 *MECW*, *Vol. 20*, pp. 10–11.

132 Frederick Engels, "Preface to the Fourth German Edition of the *Manifesto*," London, May 1, 1890, *MECW*, *Vol. 27*, p. 58. In this Preface Engels goes on to explain how that couldn't happen at that time. But in 1890, the birth of the *Second* International encouraged him to write, optimistically, "today, as I write these lines, the European and American proletariat is reviewing its fighting forces, mobilized for the first time, mobilized as *one* army, under *one* flag, for *one* immediate aim: the standard eight-hour working day to be established by legal enactment ... today the working men of all countries are united indeed.," p. 60.

133 *MECW*, *Vol. 20*, pp. 101–149.

clamor for a rise of wages," that swept Europe shortly before the crash of 1866. Their political purpose was to refute the arguments of another member of the International, the Owenite John Weston, who had argued that workers should abandon wage struggles because inflation and recession would always undermine any gains made. Marx vehemently attacked this position arguing that it would have disastrous economic and political consequences for the working class. Drawing on his studies of crises, he argued that while it was true that crises would limit the gains workers could make, their situation would be even worse without those struggles. Basically, he was repeating the arguments Engels had used a decade earlier in his *Condition of the Working Class in England*.

Wages (the price of labor-power) fluctuate over the course of business expansions and crises like the prices of other commodities. But, Marx argued, precisely because capitalists tend to get away with *reducing* wages during crises, – by laying off workers – it is important that workers struggle to force them *up* during periods of expansion:

> If during the phases of prosperity, when extra profits are made, he did not battle for a rise of wages, he [the worker] would, taking the average of one industrial cycle, not even receive his *average* wages, or the *value* of his labour[-power]. It is the utmost height of folly to demand that while his wages are necessarily affected by the adverse phases of the cycle, he should exclude himself from compensation during the prosperous phases of the cycle.[134]

Marx's advocacy that the International strongly support workers' wage struggles was based not only on the need of workers to protect their average income, but again, like Engels before him, he also saw those struggles as constituting indispensable opportunities for the workers to organize themselves as a class, a preparation necessary to the ultimate overthrow of the system as a whole:

> By cowardly giving way in their every-day conflict with capital, they would certainly disqualify themselves for the initiating of any larger movement.[135]

These lectures, it must be remembered, were written toward the end of Marx's vast work on *Capital* and thus founded its politics on that basis. Although in

134 Ibid., p. 143.
135 Ibid., p. 148.

these writings, he did not bring in the many causes of crisis[136] explored in his theoretical writings, he maintained the same overall political conclusions and strategies that he had held in the earlier period of the 1840s. He again supported wage struggles as a necessary step in working-class development and as a prelude to the abolition of the wage system itself, i.e., the revolutionary overthrow of capital.

3 After Capital, 1867–1895

I date this third and last period of Marx and Engels' writings from the first publication of Volume 1 of *Capital* in September 1867 through Marx's death in March 1883 to Engels', twelve years later in August 1895.

Despite his last years being plagued with poor health and the all-too-frequent deaths of both children and grandchildren, which frequently interrupted his efforts to write, Marx did manage to turn out a number of important contributions. They included 1) his analysis of the Franco-Prussian war and the Paris Commune, 2) his revisions of Volume 1 of *Capital*, 3) his commentaries on political developments and conflicts in the budding socialist political movement, e.g., *Critique of the Gotha Programme* (1875), 4) his program for the deep study of the workplace, i.e., *A Workers' Inquiry* (1880), and 5) his conclusions from his study of pre-capitalist societies and of Russia, e.g., his letters to Zasulich (1881).

For Engels, his most substantial writings during this period were, 1) his critique of Dühring on science and economics: *Anti-Dühring* (1878), 2) his main effort to popularize their ideas: *Socialism: Utopian and Scientific* (1880), 3) his re-do of Hegel's comprehensive view of dialectics: *The Dialectics of Nature* (1883), 4) his exploration of some hitherto undeveloped themes: *The Origin of the Family, Private Property and the State* (1884), 5) his recap of German philosophy: *Ludwig Feuerbach and the End of Classical German Philosophy* (1886) and 6) his work sorting, sifting and organizing Marx's manuscripts into Volume 2 (1885) and Volume 3 (1894) of *Capital*.

These last thirty years were ones of many sorts of crises: wars, financial panics, epidemics, worker strikes and popular uprisings all ruptured accumulation, both at home and abroad. The renewed colonial expansion by capitalists seeking profitable sources of cheap labor, raw materials and markets in Asia, Africa, and Oceania and by the US government in the Western territories all caused

136 On the other hand, in Chapter 5 of this book, I explore those causes and in Chapter 6 those countervailing forces he identified.

crises for the indigenous populations – who repeatedly fought back, rupturing and delaying plans of conquest. Finally, capitalist states warred among themselves both disrupting and, like colonialism, providing new opportunities for investment and profit making. Throughout this period, Marx and Engels continued to follow and analyze these events and their relation to workers' struggles both at home and abroad. Always with the primary aim of influencing the evolving forms and content of workers' political self-organization, they continued both to publish the results of their research and to intervene directly in debates about the best ways for workers to proceed.

3.1 *A New Terrain of Struggle: Electoral Politics*

The year 1867 was an important one – not only because the first volume of *Capital* came off the presses, but also because of two other events. The first was the financial crisis of 1866–67. Marx closely followed the crisis, as with those in 1847 and 1857, filling several notebooks with information and reflections – despite being preoccupied with getting the manuscript and proof sheets of *Capital* to the printer.[137] The second was the passage of the Reform Act of 1867 by the British Parliament – prompted by mass demonstrations against the rising unemployment and falling wages caused by the crisis. The Act profoundly changed the dynamics of class struggle within Britain by allowing at least some propertyless workers to participate in elections.

Although the Chartist Movement and its demand for the enfranchisement of workers had long faded from the scene, two new organizations had been carrying on the struggle for working class suffrage: the Reform Union, founded in 1864, and the Reform League, founded in 1865. The League, created by middle class radicals and workers associated with the First International, was supported by Marx.[138] It was partly through their efforts, mobilizing hundreds of thousands of workers in huge public meetings, that the enfranchisement of many adult male workers was achieved with the passage of a new Reform Act in 1867.

Although the short-term effects merely tilted elections in favor of Liberals against Conservatives, the more profound and long-lasting effect – especially after the Ballot Act of 1872 that made ballots secret, and thus safer for workers who voted against the wishes of their employers – was to open a new political option for workers' struggles that would lead to the rise of social democratic

137 It was too late for him to incorporate all this into the first volume of *Capital* but not for Engels to eventually incorporate some of it into his preparation of Volume 3 (see below).

138 "The great achievement of the 'International Association' is this: The Reform League," Marx wrote to Engels, "is our doing." Marx to Engels, May 3, 1865, *MECW*, *Vol. 42*, p. 150.

political parties. This changed the formal sphere of electoral politics from being an object out of reach of workers, something to be pressured from the outside, into a new terrain of struggle, first to get candidates elected who represented workers' interests and second, to draft and fight for new laws beneficial to workers.[139] The appeal of these new parties lay not only in being vehicles to struggle for laws benefiting workers but also in their apparent potential for a peaceful transition out of capitalism. It was this potential that led Marx, according to Engels, to believe that "England is the only country where the inevitable social revolution might be effected entirely by peaceful and legal means."[140]

This access to direct influence on legislation was an objective for which Marx & Engels had fought back in Germany, by supporting liberal demands for royal power to accept the formation of a parliament based on elections. Then, upon the failure of those efforts, they joined the rising of 1848 to force such a change. The eventual formation by Frederick William IV of a bicameral parliament, with the lower house made up of elected representatives, was similar to the English Parliament but with voting based on the amount of taxes paid rather than property as such. In both cases, workers were excluded. The success, in England, of workers finally winning participation in elections meant, inevitably, the formation of formally institutionalized political parties claiming to represent the interests of workers through electoral politics. Marx and Engels' political activities drew them progressively into debates over the programs of such parties and into debates over whether those programs would either facilitate or hinder transitioning beyond capitalism.

3.2 *Continuing Conflicts within the First International*

In the years immediately following all these events, Marx and Engels' political activities were preoccupied with trying to build the First International, an organization created, not to contest elections but to unite the struggles of

139 Over time, it would become apparent that the same dynamics of outside pressure, which had previously forced the passage of the Factory Acts and then these acts giving some workers the vote, would be the primary source of power for their elected representatives. While their representatives within governments found a new public platform for articulating worker demands, it has been recurrent mass movements outside the electoral arena that have provided those representatives with leverage to achieve changes benefiting workers.

140 Engels, "Preface to the English Edition" (November 5, 1886) in *Capital, Vol. 1,* p. 113, or *MECW Vol. 35*, p. 36. Least this be misinterpreted as overly optimistic, Engels also added "He certainly never forgot to add that he hardly expected the English ruling classes to submit, without a 'pro-slavery rebellion', to this peaceful and legal revolution."

workers across borders. Their efforts to expand various national sections and coordinate among them included, inevitably, setting forth their own views and their critiques of others' ideas.

For example, Marx and Engels disagreed with the Proudhonists over a variety of issues. The one closest to my concern with crisis was the Proudhonists' idea that reforming the financial system – where speculation and instability constituted important sources of crisis – could pave the path to transcending capitalism. Back in 1857, Marx had begun the *Grundrisse* notebooks with an attack on the Proudonist Alfred Darimon (1819–1902) and just that idea. While their proposal remained essentially the same, Marx's study of the financial sector and of financial crises, which made up a large part of his *Economic Manuscript of 1864–1865* and would eventually be published as part of Volume 3 of *Capital*, confirmed his critique of such Proudhonist projects as futile and the conflict was fought out both between and during the International's various Congresses.

In the case of the anarchist Mikhail Bakunin (1814–1876), Engels and Marx's attitudes varied, from praise to condemnation. In the wake of the 1848–49 revolution in Germany, Engels praised Bakunin's role in an uprising in Dresden. "The working men … found *an able and cool-headed commander in the Russian refugee Michael Bakunin* …"[141] In 1864, Marx met with Bakunin and invited him to join the First International, remarking to Engels, "Bakunin sends his regards … I saw him yesterday for the first time in 16 years. I must say I liked him very much, more so than previously … On the whole, he is one of the few people whom after 16 years I find to have moved forwards and not backwards."[142] Bakunin, for his part, recognized how Marx and Engels had delved into "political economy" far more profoundly than he had, writing "Marx was, and still is, incomparably more advanced than I … I greatly respected him for his learning and for his passionate devotion … to the cause of the proletariat."[143] Indeed,

141 Frederick Engels, "Revolution and Counter-Revolution in Germany: XVIII: Petty Traders," *New-York Daily Tribune*, No. 3576, October 2, 1852, *MECW*, *Vol. 11*, p. 90. Because the *Tribune* attributed the authorship of this series of articles to Marx, they appeared under his name. Engels' authorship was only discovered in 1913 in correspondence between himself and Marx. It was therefore unknown to James Guillaume (1844–1916) whose 1907 biographical sketch of Bakunin (in Volume 2 of the French edition of the six volumes of Bakunin's *Oeuvres*) is included in Sam Dolgoff, ed., *Bakunin on Anarchism* (Montreal: Black Rose Books, 1980).

142 Marx to Engels, November 4, 1864, *MECW*, *Vol. 42*, pp. 18–19.

143 Quoted by Guillaume in his Biographical Sketch of Bakunin in Dolgoff, p. 25.

despite subsequent differences, he found Marx's analysis of capitalism so useful that he went so far as to begin translating *Capital* into Russian in 1869.[144]

Those differences, however, made a split inevitable. Unlike their differences with Proudhon over finance within capitalist development and crisis, those with Bakunin primarily concerned political strategy. Although Bakunin became a member of the Geneva section of the First International in 1868, he fought all of Marx and Engels' efforts to achieve unity of principle and action among its various sections. Demanding only agreement on the principle of cross-border solidarity for membership in the International, he advocated instead for autonomy of ideas and actions. For him, the class struggle was real but simple: capitalists exploit, workers resist. And because the state (mainly the government) is controlled by capitalists and wields its armed might against workers, the only reasonable objective of class struggle is the overthrow of the state. As a result, Bakunin rejected Marx and Engels' embrace of workers' struggles for democracy, access to the vote and the possibility of influencing government policy on their behalf, e.g., the Factory Acts or laws against child labor, objectives long sought by workers. For Bakunin, such participation by workers in the formal political system, designed and structured by capitalists, was a trap, one that would inevitably result in the diversion of energy for revolution into negotiations with capitalists over changes that would not challenge the system as a whole. So, whereas Marx and Engels saw the Reform Act of 1867 opening a new terrain for workers' struggles, on which they could win victories that would increase their ability to struggle further, Bakunin saw only a hapless illusion.[145] The vociferousness with which each came to attack the other

144 Diverted by Sergey Nechayev (1847–1882) into participation in organizing in Russia, Bakunin abandoned his translating, and the task was taken up first by Lopatin and then by Danielson (see below). Just how much of *Capital* Bakunin actually studied, I have been unable to determine. To date I have found no writings of his reflecting on Marx's theories of crisis, nor its relation to class struggle.

145 For Bakunin's views on his differences with Marx and Engels see his essay "The International and Karl Marx" (1872) in Dolgoff, op. cit., pp. 286–320. The subsequent history of social democratic parties' participation in electoral politics has demonstrated precisely the contradictory forces that Marx and Bakunin debated. While those parties have sometimes facilitated workers winning some protections and rights, they have also often replaced revolutionary aims with reformist ones, which have strengthened rather than undermined capitalism. The result has been the repeated formation of movements and groups with more revolutionary goals acting autonomously from and often against the programs of "official" working class parties and labor unions. Besides the United States which saw in the 1960s the rise of Civil Rights, New Left and Black Power movements, all of which operated outside existing political parties, another country in which such autonomous grassroots activity has been well-documented is Italy, where the collaboration of the supposedly pro-worker Communist Party of Italy (CPI) with Post-WWII

has continued to divide many anarchists and Marxists ever since. Bakunin was finally expelled from the International in 1872.

3.3 *War and the Paris Commune*

These conflicts unfolded within the context of an ongoing series of crises and revolts in Europe, the first of which to draw Marx and Engel's close attention was the onset of the Franco-Prussian War (July 19, 1870 to January 28, 1871) and one of its unforeseen consequences: the Paris Commune (1871).[146] When France, under the rule of French Emperor Napoleon III declared war and invaded Germany, Marx, Engels, the International's General Council and its sections in both France and Germany condemned it. The war, they argued, was one between ruling elites, in which workers qua soldiers were pitted against each other on the battlefield, while being repressed at home; only the ruling class of one side or another would benefit.

The International's First Address about the war, drafted by Marx at the direction of the General Council, not only blasted Napoleon's aggression but also pointed out his practice of using war abroad to attack workers at home, including their organizations, such as the International.[147] The International's sections in France had opposed Napoleon's "plebiscite" – designed to demonstrate popular support for his policies – and issued a manifesto against the war, which led directly to arrests of members. Nor did Marx judge Napoleon alone in his desire to use foreign wars to justify repression at home. He also condemned Prussian chancellor Otto Von Bismarck (1815–1898) who had, during the Austro-Prussian War (1866), "conspired with that very same Louis

---

capitalist development provoked the rise of a substantial "extra-parliamentary" movement. It both critiqued that collaboration and organized rank & file worker struggles against the subordination of their needs to capitalist development. More recently, the indigenous Zapatista movement in Chiapas, Mexico, arising outside the existing political party politics of that country, has refused to be suborned to either the "leftist" Partido de la Revolución Democrática or, more recently, to its one-time candidate but now President Andrés Manuel López Obrador (1953-). They have, instead, pursued collaboration with other indigenous and autonomous movements both within Mexico and around the world.

146 Another fruit of the war was the unification of Germany under Prussian leadership. Bismarck began the war leading the North German Confederation, formed in 1867, but by its end had drawn in several South German states and in 1871 formed a unified German Empire.

147 K. Marx, "To the Members of the International Working Men's Association in Europe and the United States," *MECW*, *Vol. 22*, p. 3. This usage of foreign wars for conquest of new land, new resources and potential workers included colonialism, in which Napoleon indulged freely, expanding the French empire in places such as New Caledonia, Cochinchina, and Africa.

Bonaparte for the purpose of crushing popular opposition at home." In both cases, war formed a crisis for workers, both on the battlefield and on the home front.[148]

The Address condemned the war as aimed at increasing Napoleon's power in Europe as well as "a source of fresh speculations." This last charge was consistent with Marx's analysis of the entire Second Empire (1852 – 1870) as fostering and propping up a capitalism run amuck, rife with stock jobbing and speculation. Following and analyzing the chaotic development of industry, finance and speculation in France was an important source for Marx's analysis of capitalist crisis, much of which would eventually be included in Volume 3 of *Capital* by Engels pulling together Marx's voluminous notes and material in the *Manuscript of 1864–65*. Sharing Marx's condemnation of the capitalism of the Second Empire, Engels also portrayed the war as birthed by "a set of adventurers who turned administration, government, army, navy – in fact, all France – into a source of pecuniary profit to themselves."[149]

Because Napoleon was the aggressor, the International initially, reluctantly, accepted the participation of German workers in the name of self-defense, but only so long as the conflict did not "degenerate into a war against the French people."[150] But as the coalition of German states, put together by Bismarck, not

148 This dual character of capitalist war continued into the twentieth century. American involvement in WWI provided a pretext for anti-German and anti-immigrant propaganda that contributed to the Red Scare and wholesale repression of workers in the late teens and twenties. Anti-Japanese racism and internment during WWII echoed the anti-immigrant actions from WWI. After securing a no-strike pledge from workers during WWII, capitalists tried to use their quietude to increase their war profiteering at workers' expense. See Martin Glaberman, *Wartime Strikes: The Struggle Against the No-Strike Pledge in the UAW During W.W. II* (Detroit: Bewick Editions, 1980). The racist vilification of the Vietnamese as "gooks," etc., during the war on Vietnamese independence, made the lives of Vietnamese refugees in the US difficult after the loss of the war in 1975. Something similar is happening today with Muslim refugees from the US government's wars in the Middle East (Gulf Wars I & II) and Central Asia (Afghanistan).

149 *MECW*, *Vol. 22*, p. 77. The parallels with the Trump family of grifters could not be more obvious as not only Donald but Ivanka and Jared used their White House positions to enrich themselves.

150 K. Marx, "To the Members of the International Working Men's Association," op. cit., *MECW*, *Vol. 22*, p. 6. One legacy of this support has been widespread Marxist opposition to all obviously aggressive wars, from those of colonial conquest, through World Wars I & II to more recent invasions of other countries, e.g., the Korean War, the French colonialist return to Vietnam after WWII followed by the US government's neocolonial efforts to replace the French after their defeat, the Bush/Cheney invasions of Afghanistan and Iraq, and, most recently, the Russian invasion of the Ukraine. On the other hand, supposedly Marxist parties allied with the Soviet Union, largely turned a blind eye to its replacement of the Czarist empire with a new Soviet one and then its replacement of German control

only defeated the French army but then invaded France, that "degeneration" did take place and their opposition became much stronger.[151]

The capture of Napoleon and the defeat of his army led to the creation in Paris of a provisional Government of National Defence, its mobilization against the advancing German army and the announcement of a Third French Republic.[152] As the German army fought its way across northern France winning battle after battle, its progress was followed closely by Engels. He wrote some 59 articles recounting and analyzing these military clashes, while also pointing out war profiteering among capitalists and how Napoleon had weakened his army by keeping troops in Paris – for the control of its workers.[153]

The German army's advance ended with the surrounding and siege of Paris. The failure of the new government to break the siege, coupled with a revolutionary rising (crushed) led to its surrender and to the signing of a humiliating armistice and final treaty.[154] That agreement disarmed the French army, ceded Alsace and Lorraine to the Germans and promised both indemnity and heavy reparations – to the tune of 5 billion francs.[155] A new government was formed, with its seat outside of Paris at Versailles, which quickly passed new legislation to raise the funds necessary to pay the Germans and get them to withdraw from France. The costs of raising those funds fell heavily on the French people. Their reaction was outrage and uprisings in several French cities including Paris. The uprising in Paris led to Parisians not only forming their own government, separate from the one in Versailles, but also forming a

---

over Central Europe with its own domination and subsequent repression of local uprisings, such as those in East Germany in 1953, Hungary in 1956 and Czechoslovakia in 1968.

151 This evolution can be seen in Marx's two "Addresses" to the Central Council of the International. These, along with other documents tracing the activities of the International in various countries, can be found in *MECW*, *Vol. 22*.

152 In one form or another the Third Republic would govern France until its defeat by the Nazis in 1940. During the last two decades of the nineteenth century, France under that government would expand what Napoleon III had called the Second French Empire into a much more extensive empire by creating new colonies in Indochina, Africa and the South Pacific.

153 The 59 articles on the war written by Engels in 1870 and 1871, can be found in *MECW*, *Vol. 22*. Napoleon, Engels wrote, did not intend "to send the mass of the troops now in Paris to the front. Paris must be kept down." "Notes on the War – X," August 19, 1870, *MECW*, *Vol. 22*, p. 55.

154 These were the Traité préliminaire de paix du 26 février 1871 and the Traité de Francfort.

155 Traité préliminaire de paix, "ART. 2. - La France paiera à S.M. l'Empereur d'Allemagne la somme de 5 milliards de francs. Le paiement d'au moins 1 milliard de francs aura lieu dans le courant de l'année 1871, et celui de tout le reste de la dette dans un espace de trois années, à partir de la ratification des présentes."

government of a new kind, an actually democratic one, which Marx and many others would celebrate as the first workers' government in history – the Paris Commune.

The Parisians were not alone; communes were declared in several cities. These included the short-lived Commune of Lyon, where Bakunin, then in the First International, was active and the Commune of Marseille. There was even a Commune in Algiers, capitol of the French colony of Algeria – a place to which many of the revolutionaries of 1848 had been deported. Unfortunately, THAT Commune, organized by settler-colonialists, did not link up with the near simultaneous indigenous Mokrani/Kabyle revolt against the French occupation of the country – not until surviving revolutionaries of both camps were packed off to the same prison island in New Caladonia. Although Marx and Engels celebrated the ethnic and national diversity of the Communards of Paris, as I noted in my "Note to Polish Readers" (below), it found its limits in the colonies.[156]

Marx and Engels, following these events from London, participated only indirectly through their First International contacts in Paris. Once the Commune was formed, they provided advice to those directly involved on the ground, while mobilizing solidarity with the Communards everywhere they could. Marx's involvement was so well-known that he was attacked in newspapers – quite wrongly – as being the "eminence grise" behind the rising.[157] The

156 See, Niklas Plaetzer, "Decolonizing the 'Universal Republic': The Paris Commune and the French Empire," *Nineteenth Century French Studies* 49, nos. 3 & 4 (Spring-Summer 2021), 585–603. Upon the signing of this armistice, Napoleon and his entourage were released. Blamed for the war, its loss and the siege of Paris, with too little support in France for any hope of a comeback, he and his family went into exile in England where he died in 1873.

157 Such efforts to blame – and often persecute – Marxist intellectuals for the actions of others can be seen as either a projection of ruling class modes of top-down structures of power onto opponents or as a merely convenient justification for the repression of outspoken critics. The absence of such leadership within horizontal rhizomes of distributed power and decision making hasn't stopped capitalists from pretending top-down structures exist as part of more general repression. One notable example was the Italian government's blaming – and attempt to arrest – Antonio Negri as the brains behind the Red Brigades in April 1979. Although Negri escaped to France, many other intellectuals were caught up in the governments' dragnet to repress dissent – a repression actively pushed by the Italian Communist Party against its extra-parliamentary critics. In this case, Negri eventually returned to Italy, stood trial, and was exonerated of the charges. More recently, some of those who also escaped to France and have lived in exile for decades were arrested and deported by a more complicit Macron administration. On this latest case, see the interview with Enzo Traverso "On the Arrests of Italian Militants in France," Verso Books Blog, June 25, 2021. https://www.versobooks.com/blogs/news/5115-on-the-arrests-of-italian-militants-in-france

International was also attacked, mostly based on lies cranked out by the French police and repeated uncritically in capitalist newspapers. He eventually laid out his analysis of the Commune in *The Civil War in France* (1871).[158]

Much of Marx's analysis in that essay consists of identifying and lambasting those responsible for the war, for the selling out of France in defeat and for the crushing of the Commune, especially Adolphe Thiers who organized the massacre of the Communards and became President of the Republic.[159] My interest here, however, is limited to what little he had to say about crisis. Unlike the revolutions of 1848, birthed in part by the crisis of 1847, the Commune was born in the midst of war, in a Paris surrounded by German troops – a crisis for sure but of a quite different kind. Within this context, his comments about crisis are of two sorts. The first concerns the economic situation faced by France *and* the Commune as a result of the policies of the Second Empire. The second concerns the steps taken by the Commune in the face of the situation in which it found itself.

The war-as-crisis revealed another – dramatically worsened by the surrendering government granting massive reparations to the victorious Germans – namely a fiscal crisis. That, Marx argued, was the inevitable result in a country bankrupted by years of speculation and ever-growing mountains of debt. Marx wrote about how under the sway of the Second Empire, "bourgeois society freed from political cares, attained a development unexpected even by itself. Its industry and commerce expanded to colossal dimensions, financial swindling celebrated cosmopolitan orgies, the misery of the masses was set off by a shameless display of gorgeous, meretricious and debased luxury,"

Another example was the attempt by the Mexican government to blame the 1994 indigenous uprising in Chiapas on its intellectual spokesperson Subcomandante Marcos, although it was actually an array of community councils which had ordered its Zapatista Army of National Liberation into action. The repression which followed was quite general and aimed at permanently crippling the ability of the Zapatista communities to resist exploitation. Whereas in Italy the government launched a *police* roundup of intellectuals, in Mexico it dispatched tens of thousands of *army* troops and, when that effort was stymied politically, it financed and armed *paramilitary* violence against the communities.

158 K. Marx, "The Civil War in France," *MECW*, *Vol. 22*, First Draft, pp. 437–514, Second Draft, pp. 515–551, Final, published version, pp. 307–355.

159 This and similar historical essays provide antidotes to the common complaint that Marx's use of the terms "capital" or "capitalists" to denote the class as a whole – as in Chapter 10 of Volume 1 on class struggles over the length of the working day – oversimplifies and wrongly depicts the class as a homogenous whole. They illustrate how while that practice is associated with analyzing overall trends, in his close examination of real historical moments Marx recognizes and analyzes the heterogeneity and internal conflicts within the capitalist class. His and Engels' manifold analyses of the working class and of struggles between factions demonstrate the same differentiated approach.

this "rottenness … [was] laid bare by the bayonet of Prussia."[160] "The Second Empire had more than doubled the national debt and plunged the large towns into heavy municipal debts. The war had fearfully swelled the liabilities and mercilessly ravaged the resources of the nation."[161]

For those who formed the Third Republic off at Versailles, the solution was obvious. In the short term: borrow, take on more debt, but as soon as possible shift the cost of the war and reparations from the "appropriators of wealth" to the "shoulders of the producers." This had been done after the revolution of 1848, where concessions to workers were paid for by raising taxes on the peasantry – a ploy successful in turning the latter against the former. But to borrow, the Versailles government had to meet the demands of the bankers who insisted that before any new loans would be forthcoming, the Commune must be crushed. "Thus, the immense ruin of France spurred on these patriotic representatives of land and capital, under the very eyes and patronage of the invader, to graft upon the foreign war a civil war – a slaveholders' rebellion."[162] True to their word, once the Commune was crushed, a new loan was forthcoming.[163]

This insistence by the bankers, agreed upon and executed by the Versailles government, derived not merely from a distaste for Parisians taking control of their own city, but from the policies being set forth by the Communards. Not only did the Commune declare that "the true originators of the war would be made to pay its cost," but it also enacted a series of other measures which struck

160 "The Civil War in France," *MECW*, *Vol. 22*, p. 330.

161 Ibid., p. 319.

162 Ibid., p.219, "No money was to be paid down until after the 'pacification' of Paris", p. 320.

163 Editors' note, *MECW*, *Vol. 22*, p. 669, note 182. Similar were the demands of New York City banks in the mid-1970s as conditions for rolling over that city's debt: cut welfare payments and cut the wages and benefits of city workers. See, Donna Demac & Philip Mattera, "Developing and Underdeveloping New York: The 'Fiscal Crisis' and the Imposition of Austerity", *Zerowork* 2, (1977), 113–139. Under the same rubric of "austerity," making workers and the poor pay became a central element in the conditions set by the International Monetary Fund for rolling over the debt of country after country during the international debt crisis of the 1980s and 1990s. See, H. Cleaver, "Close the IMF, Abolish Debt and End Development: a Class Analysis of the International Debt Crisis," *Capital & Class* 39, (Vol. 13, Issue 3, Winter 1989): 17–50. Where resistance flared, the banks demanded more, as illustrated by the case of the Zapatista uprising in Chiapas, Mexico in 1994. In that case, just like the Parisian bankers who wanted the Commune crushed, Chase Manhattan Bank, in the person of Riordan Roett, writing for Chase investors in emerging markets, demanded the "elimination" of the Zapatistas. See Roett's essay and the follow-up story by *Counterpunch*, which originally obtained and wrote about it, Ken Silverstein and Alexander Cockburn, "Chase Memo Tumult: Come Blow Our Horn," *Counterpunch* 2, no. 4 (February 15, 1995): 3.

at the heart of capitalist power. These included: no prosecutions for delayed repayment of debt, the abolition of interest on debt, ending nightwork at bakeries, no more fines on waged workers, closed factories handed over to their workers, the suppression of the army – traditionally used to control workers and peasants as much as for foreign wars – and its replacement by arming the people, a parallel change in the police making it responsible to the people and a "revocable agent of the Commune," public servants to be paid workers' wages, magistrates and judges to be elected and revocable, secularization of science and education to be made free to all, the Commune form of government to be extended throughout the country, formed at each level through universal suffrage and revocable. In short, "the merely repressive organs of government were to be amputated, its legitimate functions were to be wrested from an authority usurping pre-eminence over society itself, and restored to the responsible agents of society." "Yes, gentlemen," Marx wrote, "the Commune intended to abolish the class-property which makes the labour of the many the wealth of the few. It aimed at the expropriation of the expropriator. It wanted to make individual property a truth by transforming the means of production, land and capital, now chiefly the means of enslaving and exploiting labour, into mere instruments of free and associated labour."[164] That reorganized, co-operative labor would put an end "to the constant anarchy and periodical convulsions which are the fatality of Capitalist production."[165] Of all this, Marx argued, the Commune only had time to take the first revolutionary steps towards replacing capitalism with communism. But in doing so it constituted a threat not only to bankers but to all capitalists. The great fear of capitalists and great hope of revolutionaries, that a capitalist crisis could be turned into the overthrow of the system and the building of an alternative seemed to be unfolding inside Paris. These were the things that excited Marx and terrified those at Versailles – provoking vicious massacres to put down the threat, the taking on of more debt. This last contributed to France suffering participation in a new banking crisis in 1873 and in the Trans-Atlantic depression of 1873–1896.

164 "The Civil War in France," *MECW*, *Vol. 22*, 331–341. Despite these rhetorical flourishes that treat the Commune as a unified subject, both Marx's essay and subsequent studies of the Commune have made clear that its existence and its evolution was the product of diverse, often conflicting interests – more united in what they no longer wanted than in the character of what would replace it. Marx was excited by what he saw, especially how universal suffrage would give great weight to the power of workers and peasants to determine that path and how those elected were subject to recall if they failed those who had elected them. But to what degree the Commune and its offspring would have followed the path to communism that Marx projected would never be known.

165 Ibid., p. 335.

3.4 *Revisions and Translations*

Despite the demands for keeping abreast of conflicts within the First International and analyzing workers' struggles in England and abroad, Marx continued his theoretical work. He wanted to finish his promised second volume of *Capital* on the circulation of capital, a third on "the various forms of the process of capital in its totality" and a fourth on the history of the theory.[166] All this he had already studied and spelled out in voluminous notebooks but not yet prepared for publication. His attempts to finish this work, however, were repeatedly interrupted, not only by ill health in his family,[167] his involvement in politics and his efforts to keep up with various crises and revolts, but also by preoccupation with the second German edition of *Capital* and various translations of the book.

His own dissatisfaction with the first edition led Marx to undertake some serious revisions in both structure and content in the Second German Edition. He indicates some of these in his 1873 Postface, especially his revisions of the analysis of value in the opening chapter where he combined the original with the supplemental material previously attached as an appendix. After reviewing critiques of the First Edition, after denouncing the descent of political economics from efforts to understand capitalism to efforts to apologize for it, and after analyzing the development of political economy in Germany, he ends the Postface by discussing the differences between his dialectical method and Hegel's. He argues that capital itself, through its crises and recoveries will eventually teach doubters the reality of dialectics.

> The fact that the movement of capitalist society is full of contradictions impresses itself most strikingly on the practical bourgeois in the changes of the periodic cycle through which modern industry passes, the summit of which is the general crisis. That crisis is once again approaching, although as yet it is only in its preliminary stages, and by the universality of its field of action and the intensity of its impact it will drum dialectics even into the heads of the upstarts in charge of the new Holy Prussian-German Empire.[168]

---

166 Promised in his Preface to the first edition. *Capital, Vol. 1*, p. 93, or MECW, *Vol. 35*, p. 11.

167 Ill-health would not only repeatedly prevent Marx himself from writing but would kill several members of his family including his wife Jenny who died of liver cancer in 1881. For an account of these tribulations see, Marcello Musto, *The Last Years of Karl Marx: An Intellectual Biography*, (Stanford: Stanford University Press, 2020).

168 *Capital, Vol. 1*, p. 103, or MECW, *Vol. 35*, p. 20. This essentially foregrounds a similar statement in Chapter 25: "When this periodicity has once become consolidated, even political economy sees that the production of a relative surplus population . . . is a necessary condition

By 1882, the publisher of the Second Edition was running out of copies, so Marx, who at the time was working on Volume 2, began to make notes for the changes he wanted for a Third Edition. He died before he could complete either project.

The first translation of Volume 1 was into Russian. Marx – who had studied the language in order to understand the struggles unfolding in that land – closely supervised the initial efforts by a young Russian, German Lopatin (1845–1918)) who came to London in 1870 to begin translating and corresponded with another, Nikolai Danielson (1844–1918) who completed the process (and later also translated Volumes II and III). The translation slipped by Czarist censors and appeared in 1872 – quickly selling more copies than the German and fueling debates between Russian "Marxists" and Russian populists.[169]

The second translation was into French and here again, Marx was intimately involved, editing, revising and adding to the translation. His deep involvement was undoubtedly spurred by the advantage he saw in how it was to be published: serially, in bite-sized morsels. He wrote to the publisher: "I applaud your idea of publishing the translation of *Das Kapital* in periodic instalments. In this form the work will be more accessible to the working class and for me that consideration outweighs any other."[170] He changed so much that in his Postface to the translation he wrote that "this French edition … possesses a scientific value independent of the original and should be consulted even by readers familiar with German."[171] The most significant passage concerning crisis that

---

for modern industry." Ibid., p. 786, or *MECW*, *Vol. 35*, pp. 627–8. In the French edition Marx replaced "political economy" with "économistes."

169 See McLellan, *Karl Marx: A Biography*, 394. The debates – into which Marx was drawn – included one over whether revolution had to wait for the full development of capitalism and the rise of an industrial proletariat in Russia or could unfold successfully on the basis of peasant struggles. The dominant view of Marxists, in Russia and elsewhere, has been the former interpretation of Marx and Engels' writings. They were dismissive of peasant struggles arguing their inevitable disappearance via the "proletarianization" with the development of capitalism. Once drawn in, however, and after studying the social situation in Russia, Marx took the side of the populists hypothesizing that in the case of revolution the peasant "mir" or village commune had the possibility of providing an alternative path for the "social regeneration" of Russia beyond capitalism. With the emergence of a world-wide indigenous renaissance, made visible and energized by the Zapatista uprising, this hopeful view of the potentialities of one kind of traditional peasant organization has received new attention. See, Theodore Shanin, ed., *Late Marx and the Russian Road: Marx and the Peripheries of Capitalism* (New York: Monthly Review Press, 1983).

170 Marx to Maurice La Châtre, March 18, 1872, *MECW*, *Vol. 44*, p. 344.

171 *Capital, Vol. 1*, p. 105, or *MECW*, *Vol. 35*, p.24. The failure of first Engels and then other editors of various English editions of *Capital* to include all of Marx's changes has been repeatedly lamented by various commentators, including Kevin Anderson, "The 'Unknown' Marx's *Capital*, Volume 1: The French Edition of 1872–75, 100 Years Later," *Review of Radical*

he added to the French translation was the following, in which he argued that crisis only becomes endemic as capitalism becomes fully developed.

> But only after mechanical industry had struck root so deeply that it exerted a preponderant influence on the whole of national production; only after foreign trade began to predominate over internal trade, thanks to mechanical industry; only after the world market had successively annexed extensive areas of the new World, Asia and Australia; and finally only after a sufficient number of industrial nations had entered the arena – only after all this had happened can one date the repeated self-perpetuating cycles, whose successive phases embrace years, and always culminate in a general crisis, which is the end of one cycle and the starting point of another. Until now the duration of these cycles has been ten or eleven years but there is no reason to consider this duration as constant. On the contrary, we ought to conclude, on the basis of the laws of capitalist production as we have just expounded them, that the duration is variable, and that the length of the cycles will gradually diminish.[172]

Because Marx was unable to finish preparing Volumes II and III of *Capital* before he died in 1883, Engels undertook to do so, publishing the first two years later in 1885 and the second in 1894. He also oversaw and edited the translation from the Third German Edition into English by Samuel Moore and Edward Aveling (Eleanor Marx's partner), published in 1887.

3.5 *Working Class Parties and Debates*

As workers were able to win the goal that had eluded the Chartists: laws giving propertyless workers access to participation in elections, this allowed many to abandon covert and illegal secret groups in favor of an overt and legal political terrain. They came onto a terrain, however, already shaped by the existence of formal political "parties," i.e., institutions created by various political factions among capitalists, landowners and other property owners, e.g., the so-called "middle class." Those parties organized the selection of candidates for public office; they drafted programs laying out their policy goals and they mobilized supporters to vote in elections. In England, such formal parties were created in the wake of the Exclusion Crisis (1679–1681), with the Whigs and the Tories contesting elections to Parliament. In the United States political

---

Political Economics 15, no. 4 (December 1983): 71–80 and Paul Zarembka, *Key Elements of Social Theory Revolutionized by Marx* (Boston: Brill, 2020).

172 *Capital, Vol. I*, p. 786 and *Le Capital: Livre I,* (Paris: Garnier-Flammarion, 1969), 462.

parties were created not long after the signing of the Constitution. The first American parties, formed in the late 1700s, emerged out of policy differences among advisors in the first presidential administration: the Federalist and Democratic-Republican Parties. By the time male British workers began to win the right to participate in elections, electoral politics in England were dominated by the Liberal (once Whig) and Conservative (once Tory) Parties, while in the US they were dominated by the Democratic and Republican Parties. In Germany, there were several parties representing various political interests, several of which dated from before that country's unification in 1871.

Faced with a terrain already well organized by their class enemies, militants in various workers' movements had to decide whether to participate or refuse. For those who chose to participate, the question was how? Should they join existing parties – created by and in the interests of their exploiters – and organize within, pushing policies supporting workers' struggles as some reformists had done in the past, or should they organize autonomously, forming their own *working-class* parties? Some workers, along with many middle-class reformers, chose to work within existing parties. Others, believing that the interests of those in existing parties were unlikely to be swayed by marginal worker participation, chose to organize independently. Yet those forming their own working-class parties, did so with the aim of winning public office, through which they hoped to lobby for and win legal and institutional changes of benefit to workers. In their most optimistic imagination, workers could gain enough positions to win ever greater reforms, transforming capitalism into something else, something better. As mentioned, others, such as Bakunin and his followers, refused to be drawn onto this terrain, preferring to continue organizing for the overthrow of the whole capitalist system, including its electoral infrastructure. Still others would attempt to organize both inside and outside the formal electoral system.

Emerging working-class parties – like their predecessors – followed the common practice of drawing up and issuing public programs, laying out their principles and objectives for the world to see and assess – much as Marx and Engels did when they drafted the *Communist Manifesto* for the Communist League in 1848. Such programs commonly had some theoretical underpinning, either made explicit or implied, as well as indications of the kinds of policies and actions the issuing party intended to pursue. As parties contended or sought to collaborate, Marx and Engels continued to push their own perspective in working class circles and much of their writing was done as interventions into the resulting political battles within and between such parties. Without trying to cover the full extent of their efforts, I do want to comment on three famous efforts to influence the directions being taken by working-class parties: their

critique of the Gotha program (1875), Engel's essay *Anti-Dühring* (1878) and his *Socialism: Utopian and Scientific* (1880), extracted from *Anti-Dühring*.

3.6 *Marx: Critique of the Gotha Program*

The Gotha program was drafted by leaders of the Social-Democratic Workers' Party (S-DWP) of Germany in preparation for a joint conference in Gotha, Germany with the General Association of German Workers (GAGW). The conference was aimed at unifying the two groups.[173] The GAGW, the first political party in Europe to present itself as representing the interests of workers, was founded in 1863 by Ferdinand Lassalle (1825–1864) and continued, after his death, to be dominated by his followers. The S-DWP was founded in 1869, led by August Bebel (1840–1913) and Wilhelm Liebknecht (1826–1900) and based on the principles of the First International. With the objective of the conference being to achieve a unification of the two parties, the draft program, although written by the leaders of the S-DWP, sought to include ideas acceptable to the GAGW.

Upon studying the draft program, both Marx and Engels felt their comrades in the S-DWP had conceded far too much to the Lassaleans. Like those who refused this terrain altogether, e.g., Bakunin, they clearly saw the danger of working-class parties' effectiveness as organs of struggle being undermined by accepting to restrict their demands to those entirely compatible with capitalist development. Therefore, several of their critiques were aimed at avoiding such a fate. However, the sole aspect of crisis touched on in the draft and addressed in Marx's letter of critique was the theoretical question of the proper working-class role in the *final* crisis – the end of capitalism.[174] Of the many forces that tend to create ruptures and crises in capitalism, analyzed by them in other works (and sketched below in Chapters 4–8), he says nothing. What he does protest is the Lasallean substitution of "*the* social *question*" for class struggle and its faith, written into the program, that it is through aid from the government, especially in the form of support for worker cooperatives and education

173 The draft program was printed in *Der Voksstaat*, (S-DWP) No. 27, and the *Neuer Social-Demokrat* (GAGW) on March 7, 1875, according to footnote 95 of *MECW*, *Vol. 24*, pp. 602–603. It was from the former source that Marx lifted passages in his "Marginal Notes" mentioned below.

174 They spelled out their critique of the draft program, in advance of the meeting, in a letter from Engels to August Bebel in late March, *MECW, Vol. 24, pp. 67–73,* and a letter from Marx to Wilhelm Bracke on May 5th, that included Marx's "Marginal Notes on the Programme of the German Workers' Party," written in April-Early May 1875, *MECW, Vol. 24*, pp. 77–78, 81–99.

that capitalism can be brought to its end and replaced.[175] Of cooperative societies, Marx writes,

> But as far as the present co-operative societies are concerned, they are of value only insofar as they are the independent creations of the workers and not protégés either of the governments or of the bourgeois.[176]

And of education,

> "*Education of the people by the state*" is altogether objectionable … Government and Church should rather be excluded from any influence on the school. Particularly, indeed, in the Prusso-German Empire … the state has need, on the contrary, of a very stern education by the people.[177]

In other words, he argues that it is only through their own, autonomous struggles, whether in dealing with capitalists or in creating new social institutions, that workers can end and replace the capitalist system. The state within capitalism was designed for its propagation and cannot be expected to become the vehicle of its supersession. He attacks neither the project of a unified party nor the participation of its members in elections nor the participation of any elected delegates in parliament, and thus within the German state. What he does protest is the abandonment of class struggle on other terrains and reformist demands that fail to lay the groundwork for further struggle.

It is essential, he argues, to begin with the class struggles that the Lassaleans ignore and to recognize the important role of trade union actions, not only within each country but also coordinated (like capital itself) across borders, internationally (the objective of the First International).

> Fifthly, there is absolutely no mention [in the draft] of the organization of the working class as a class through the medium of trade unions. And that is a point of the utmost importance, this being the proletariat's true class organization in which it fights its daily battles with capital, in which it trains itself …[178]

---

175 "In the place of the existing class struggle appears a newspaper scribbler's phrase: '*the* social *question*', for the '*solution*' of which one 'paves the way'," MECW, *Vol 24*, p. 93.

176 "Marginal Notes," MECW, *Vol. 24*, p. 94.

177 Ibid., p. 97.

178 Engels to Bebel, London, March 18–28, 1875, MECW, *Vol. 24*, p. 70.

> It is altogether self-evident that, to be able to fight at all, the working class must organize itself at home as a class … To this extent its class struggle is national, not in substance, but, as the *Communist Manifesto* says, "in form". But the "framework of the present-day national state, for instance, the German Empire, is itself in turn economically 'within the framework of the world market'," politically "within the framework of the system of states".[179]

In other words, workers' *self-organization*, not just its consciousness, must match that of capital and be international. In short, the draft program is retrograde vis-à-vis the *Communist Manifesto*, written almost thirty years earlier! In its shift from recognizing how workers' struggles could throw capitalism into crisis and how workers' own initiatives could craft new alternatives, the program sketched principles of a social-democratic organization, which not only accepts to work within a political system organized by capital, but which also relies on a key element of that system – the government – to engineer its end. Marx was having none of it. No class struggle, no real crisis, no real change. Workers had to take over and *dictate* both the end of capitalist exploitation and the crafting of a post-capitalist order.[180]

Despite these and many other critiques, the joint conference adopted the draft program with only minor changes and the two parties merged to form a new Socialist Workers Party of Germany (*Sozialistische Arbeiterpartei Deutschlands* or SPD). United, it rapidly became the largest social-democratic party in Europe, participating in elections and winning seats in the German parliament.

3.7 *Engels: Anti-Dühring*

Behind this abandonment of any mention of class struggle in the program of the SPD lay not only Lassalle's ideas but also those of Eugen Dühring. A lawyer turned lecturer in philosophy and political science at the University of Berlin, Dühring had been the first person outside of Marx and Engels' circle to write a review of *Capital* when it was published in 1867.[181] Despite what he judged to be the review's deficiencies, Marx appreciated the effort because it was better to be critiqued than ignored – which had been the general response of the German press. "I must be grateful to the man," he wrote, "since he is the first

179 "Marginal Notes," *MECW*, *Vol. 24*, pp. 89–90.

180 This is my interpretation of the Marx's evocation of the "dictatorship of the proletariat" during the transition from capitalism to communism, as explained in my *Rupturing the Dialectic*, 238–240.

181 E. Dühring, "Marx, Das Kapital, Kritik der politischen Oekonomie, 1. Band, Hamburg, 1867," *Erganzungsblatter zur Kenntngi der Gegenwart,* Bd. 3, Heft 3, 1867, pp. 182–6. Engels published his own review in *Die Zukunft*, No. 254, October 30, 1867.

expert who has said anything at all."[182] That gratitude, however, was short-lived as Dühring repeatedly denigrated Marx's ideas, while, to use the latter's words, setting "himself up as a revolutionary in political economy" in such writings as: *Capital and Labor: New Answers to Old Questions,* Fragen: Berlin, 1865 and *Critical Foundation of Political Economy*, Berlin, 1866.[183] He was also "setting himself up" by offering to those in the social-democratic movement alternatives to Marx and Engels' analyses of capitalism, of its class struggles and of political strategy and tactics, in, for example, his *Critical History of Economics and Socialism* (1871, 1875).[184]

As Marx and Engels perceived important personages in the social-democratic movement, including Bebel, Liebknecht and Edward Bernstein (1850–1932) falling under Dühring's spell, it became clear to them how Dühring's ideas had contributed to the poor reception of their critiques of the Gotha program. Bebel, for instance, had already published in *Der Voksstaat* – the primary organ of the Social-Democratic Party – two articles praising Dühring in 1874, prior to the Gotha conference. In them, he declared Dühring's latest publication "the best book on economics produced in the recent period since Marx's *Kapital* and we may strongly recommend the study of the book."[185] In these circumstances, Marx decided that Dühring's ideas needed to be critiqued "without compunction."[186] Under complaint, Engels quite reluctantly undertook to "break a lance with the tedious Dühring."[187] Albeit in consultation with Marx, he wrote and published a series of polemical articles in *Vorwärts* in 1877 and

182 Marx to Kugelmann, March 6, 1868, *MECW*, *Vol. 42*, p. 544.

183 Ibid. The relationship between Dühring, Marx and Engels was usefully sketched by Gunter Krause in "Dühring in the perspective of Karl Marx and Engels," *Journal of Economic Studies*, Vol. 29, no. 4/5, (2002): 345–363. These translated titles are from Krause; the originals are: *Capital and Arbeit. Neue Antworten auf alte Fragen* (Berlin: Verlag von Alb. Eichhoff , 1865) and *Kritische Gnmdlegung der Volkswirthschafskhre* (Berlin: Verlag von Alb. Eichhoff, 1866). Having been unable to discover any English translation of these works, I am forced to rely – with the usual amount of salt – on those who have read them in the original and given accounts in English. I am, therefore, not able to judge the degree to which Engels' representations of Dühring's ideas are accurate, or mere assertions, as Adamiak claims, "in its rendition of certain of Dühring' ideas, marked distortion is evident." Richard Adamiak, "Marx, Engels, and Dühring," *Journal of the History of Ideas* 35, no. 1 (January – March 1974): 109 - 911.

184 *Kritische Geschichte der Nationalokonomie und des Socialismus,* 1 Auflage, Leipzig, 1871, Berlin, 1875.

185 "Ein neuer 'Communist'," *Der Volksstaat*, Leipzig, No. 30, Marz 13, 1874 and No. 33, Marz 20, 1874, cited and quoted in Adamiak, "Marx, Engels, and Dühring," p. 106.

186 Marx to Engels, May 25, 1876, *MECW*, *Vol. 45*, p.119.

187 Engels to Marx, May 28, 1876, *MECW*, *Vol. 45*, p. 122. Besides finding Dühring "tedious," Engels also complained about having to put aside his work on the dialectics of nature, a project upon which he had been working since 1873.

1878. He then combined these articles into a substantial book in 1878 – *Herr Eugen Dühring's Revolution in Science* – one chapter was based on a draft written by Marx.[188]

Anti-Dühring consists of three parts: the first part covers Dühring's writings on science and his "new" philosophical system. Here Engels draws on his own research on the "dialectics of nature." The second part dissects Dühring's supposed "revolution" in political economy and the third part challenges his analysis of the road to socialism. In so doing, however, Engels seizes the opportunity to not only critique Dühring but also to spell out many of his and Marx's perspectives on these topics, exercises which make the book an important source on their views as well as their understanding of his. Given the focus here on their analyses of class struggle and crisis, I only highlight those of their views which touch on these subjects and leave aside all the rest.[189]

Although like Marx and Engels, Dühring critiqued capitalism and called for struggles for material gains via unions, strikes, etc., paving a road to socialism, unlike them he apparently argued that capitalism, like other oppressive systems before it, was based primarily on "force" rather than on economic relationships. Thus, for him, the "force state" became the primary object to be replaced and in its place, he offered a utopian vision of a decentralized socialist system of autonomous communes.[190] Engels disparaged this vision, even more than he and Marx had done of earlier utopians, because Dühring didn't have the excuse of writing *before* the struggles of industrial workers had really gotten organized, not only nationally but also internationally, e.g., the First International.

Against Dühring's analysis, Engels posed his and Marx's understanding of how in the history of "civilization" the role of "force" was based on the mode of exploitation that underlay and defined both classes and their antagonisms. This view was worked out back in the 1840s and spelled out in writings such as the *Economic and Philosophical Manuscripts of 1844*, the *German Ideology* in 1846, and the *Communist Manifesto* in 1848. In *Anti-Dühring* this perspective is reiterated several times, in various chapters of the book. Sometimes it is in the same words found in those earlier texts, sometimes explained in later

188 Frederick Engels, *Herr Eugen Dühring's Revolution in Science, MECW, Vol. 25,* pp. 1–309. That chapter was "X: From the *Critical History*" in Part II: Political Economy, *MECW, Vol. 25,* pp. 211–243.

189 It will be obvious to any reader of *Anti-Dühring* that a whole range of issues taken up in Engels' essay *indirectly* bare on their analyses of crisis and class struggle, e.g., his discussions of method, but I have chosen to limit myself here to only his *direct* comments on crisis.

190 According to Adamiak, p. 103.

language, such as that of the Preface to the *Contribution to the Critique of Political Economy* or of *Capital*. For example, in the Introduction, Engels writes:

> Then it was seen that *all* past history was the history of class struggles; that these warring classes of society are always the products of the modes of production and of exchange – in a word, of the *economic* conditions of their time …[191]

Although Engels illustrates this interpretation with examples from various periods of history, my concern here is with capitalism and the crises experienced by its "warring classes," i.e., capitalists and workers. What is striking in Engels' treatment of crisis is his almost total reliance on the contradiction between the development of production and the limits on the size of the market.

> We have seen that the ever increasing perfectibility of modern machinery is, by the anarchy of production, turned into a compulsory law that forces the individual industrial capitalist always to improve his machinery, always to increase its productive force … [However,] resistance is offered by consumption, by sales, by the markets for the products of modern industry … The extension of the markets cannot keep pace with the extension of production. The collision becomes inevitable … collisions become periodic … since 1825, when the first general crisis broke out, the whole industrial and commercial world, production and exchange among all civilized people and their more or less barbaric hangers-on, are thrown out of joint about once every ten years … the productive forces are in rebellion against the mode of exchange …[192]

Within this scenario – familiar since their earliest writings – Engels does mention elements developed later, such as "hard cash" disappearing, credit now exploding, now vanishing, bankruptcy proliferating, big capitalists squeezing out little ones, but nowhere does he bring in the kind of detailed analysis of these things worked out by Marx in either Volume 1 of *Capital* or in his unfinished manuscripts. Least the reference to limits of consumption in the above quotation be miss-read as privileging "underconsumption" by workers, note

191 *MECW*, *Vol. 25*, p. 26. In a later formulation, Engels clarified by inserting "with the exception of its primitive stages," ibid., p. 649, fn27.

192 Ibid., pp. 262–263.

that the "products of modern industry" whose production is seen to repeatedly outstrip markets include *both* consumer goods and producer goods.[193]

Engels does add to Marx's analysis of the increasing socialization of production. Marx laid out in *Capital* how the ever-increasing scale of capitalist production, through both concentration (investment) and centralization (mergers and takeovers) gave rise to the joint-stock or limited liability corporation, in which the diversification of ownership through the sale of corporate stocks and bonds results in the actual management of capital being passed to salaried corporate managers, whom he called "functionaries of capital" and Engels called "salaried employees." Eventually, Engels argues, the scale of production and distribution outgrows the joint-stock company form of management, and, when "this form also becomes insufficient: the official representative of capitalist society – the state – will ultimately have to undertake the direction of production."[194] A takeover, he notes, already begun under Bismarck.[195] He duly points out, however, that these transformations in the form of management "either into joint-stock companies, or into state ownership, does not do away with the capitalistic nature of the productive forces … The more [the state] proceeds to taking over the productive forces, the more does it actually become the national capitalist, the more citizens does it exploit. The workers remain wage-workers – proletarians. The capitalist relation is not done away with."[196]

Unfortunately, when Engels forecasts that the proletarian seizure of state power would immediately transform "the means of production into state property," he fails to specify exactly how those proletarians can then make sure that

193 Despite Marx's dismissal of such narrowing, the "underconsumptionist" theory of crisis embraced by many of his followers in the history of Marxism has always turned on the production of consumer goods and the limits on markets for them caused by workers' low wages. This was also true among some non-Marxists, such as John A. Hobson (1858–1940) whose theories of both crisis and imperialism was founded on this perspective. The error of such analysis, clearly seen by Marx, was the failure to recognize how industrial products included both consumer and producer goods, so that inadequacies in aggregate demand might be traceable to either a shortage of expenditures by workers or of investment by capitalists. See Chapter 5.3. below. This error by Hobson was pointed out by John Maynard Keynes in his *General Theory* (1938), while ignoring how Marx had made the same point decades earlier.

194 Ibid., p. 265.

195 Ibid., fn *.

196 Ibid., pp. 265–266. In this manner, Engels not only explains the emerging character of state capitalism in Germany but foretells the fate of socialism in Russia after 1917 as the result of Lenin and the Bolsheviks adapting the German model for the new Soviet economy.

the "capitalist relation" is, in fact, "done away with" and actually achieve the abolition of "all class distinctions and class antagonism," and, in the process do away with "the state as state."[197] While Dühring's projection of capitalism being replaced by a network of autonomous communes resembled earlier utopian projects, Engels' under-specified alternative, echoing Marx's affirmations in his critique of the Gotha Program of how workers would use state power to end and replace capitalism, left both of them open to the old Bakuninist charges of embracing a statist centralization of power. This Engels and Marx had long denied, yet their on-going refusal to imagine how the projected "dictatorship of the proletariat" could transcend the form of the state, meant that the charge continued to reappear, not only among their opponents in German social-democracy but throughout the history of "Marxism," beginning with the "revisionism" of Edward Bernstein and Karl Kautsky (1854–1938) in the period of the Second International (1889–1916).

Published in Leipzig in early July 1878, the circulation of Engels' book was suddenly curtailed in October when Bismarck succeeded in getting an Exceptional Law against the Socialists passed, making the SPD illegal and banning its literature, including *Anti-Dühring*. Its underground circulation nevertheless succeeded in shifting some minds from Lassalean and Dühring's views to ones more in line with those of Marx and Engels. Moreover, the law, which would remain in force until 1890, had the effects of both increasing support for the repressed party and stirring further debate within it.[198]

197 Ibid., p. 267. Lenin's explanation of how these things would come about, of course, was through the actions of the Communist Party representing the interests of the workers. Unfortunately, despite claims that the CP organization was "democratic centralism," no mechanism ever provided workers with the ability to counter the failure of the Party to act in their interest. As a result, workers within the USSR, like workers elsewhere, were thrown back on traditional methods of protest, including covert actions when the CPUSSR followed the German model of state capitalism in repressing overt dissent.

198 The debates continued to reflect differences within the SPD over political strategy and tactics, including their manifestation in Party publications. One such debate unfolded during the planning of a Party paper to be published in Switzerland, to avoid the repression within Germany. In an internal "Circular Letter," written by Engels in response to a proposal by Bernstein, Hochberg and Schramm, he blasted the "Zurich Trio" for arguing that the Party and its new publication should eschew overt support for working-class demands and struggle and seek instead to woe "supporters from the ranks of the educated and propertied classes"! Why? Because the Party needs "men (sic!) who are fit to represent it in the Reichstag." This amounted, Engels argued, to abandoning the basic idea – laid out years ago in the *Communist Manifesto* – that ending capitalism and creating a new society must be done by workers themselves. There was nothing, however, in either document about any other aspect of crisis.

3.8 *Engels: Socialism: Utopian & Scientific*

Paul Lafargue (1842–1911), an activist in the First International and husband to Marx's daughter Laura, urged Engels to extract some chapters from *Anti-Dühring* into smaller publications to achieve a wider circulation in France of its ideas and analysis. Engels did so, revising and publishing three chapters, first in three issues of *La Revue socialiste* in March-May 1880 and then in a pamphlet titled *Socialisme utopique et socialism scientifique* that same year. A German version would follow in 1882 and an English one in 1891 under the title *Socialism: Utopian and Scientific*.[199]

With respect to crises, Engels' only significant revision to his original essay is in Section II. In *Anti-Dühring*, his account of the progressive socialization of production included the formation of joint stock companies, an intermediary stage that would give way to the takeover of production by the state. But here, in his revised text, he inserts yet another intermediary stage: that of "trusts." To wit:

> The producers on a large scale in a particular branch of industry in a particular country unite in a "Trust," a union for the purpose of regulating production. They determine the total amount to be produced, parcel it out among themselves, and thus enforce the selling price beforehand … The whole of the particular industry is turned into one gigantic joint-stock company; internal competition gives place to the internal monopoly of one company … In trusts, … production without any definite plan of capitalist society capitulates to the production upon a definite plan of the invading socialistic society.[200]

---

199 Friedrich Engels, *Socialism: Utopian and Scientific*, MECW, *Vol. 24*, pp. 281–325.

200 Ibid., pp. 317–318, also MECW, *Vol. 25*, pp. 639–640. In his Preface to the Fourth Edition, Engels explains he added these words to the text of *Anti-Dühring* because "the new form of production, the 'trusts' … have "become important." May 12, 1891, MECW, *Vol. 27*, p. 202. Decades later, this theme of expanding capitalist planning laying the groundwork for workers' control in a socialist society, was taken up by a dissident Trotskyist faction of the American Socialist Workers Party (SWP) known as the Johnson-Forest Tendency. In a pamphlet, Tendency members expanded the idea, drawing attention to workers – as well as capitalists – crafting new elements of a post-capitalist, socialist society in the present, J. R. Johnson (C. L. R. James, 1901–1989), F. Forest (Raya Dunayevskaya, 1910–1987) and Ria Stone (Grace Lee, 1915–2015), *The Invading Socialist Society* (1947). After breaking with the SWP and forming their own organization they further explored the idea in *Facing Reality: The New Society … Where to Look for it, How to Bring it Closer. A Statement for Our Time* (1958).

In other words, the dynamics of capitalist development results in ever more planning by bigger and bigger firms, effectively laying the groundwork for socialist planning. Unfortunately for the capitalists, however, Engels argues that "trusts of this kind, as soon as business becomes bad, are generally liable to break up …"[201] The result of capitalist development, they may be; but they provide no solution to crisis.[202]

3.9 *Engels: the Dialectics of Nature*

Upon completion of his book and pamphlet, Engels returned to his work on the dialectics of nature from 1878 to 1882. However, once again his research was cut short, this time by Marx's death in 1883. Feeling compelled to finish the job of editing Marx's manuscripts into Volumes 2 (completed in 1885) and 3 (completed in 1894) of *Capital*, he once again set aside his own research. As a result, he never did complete his work, leaving behind, as Marx had, only an incomplete manuscript and fragmentary notes. Nevertheless, the coherence of what he had already written did result in his manuscript and notes eventually being published in 1925 in the USSR. So, although it was published posthumously, the text does give us further insight into Engels' thinking about crises in the period surrounding *Anti-Dühring* and *Socialism: Utopian and Scientific*.

Because this project was focused on demonstrating how dialectics are as relevant to understanding nature as for understanding human society, the vast majority of his manuscripts and notes involve re-interpreting available scientific evidence and the evolution of science itself from the point of view

201 Engels, *Socialism: Utopian and Scientific*, MECW, *Vol. 24*, p. 317.

202 Engels was not alone among Marxists in viewing the emergence of trusts as a new stage in capitalist development, with implications for crises. At the turn of the century, perhaps the most important study of this phenomenon was by the Austrian Marxist Rudolf Hilferding (1877–1941) who published his *Finance Capital: A Study of the Latest Phase of Capitalist Development* in 1910. Hilferding not only highlighted the rise of trusts and monopoly power but also showed how their formation in the field of finance increased the leverage of financial institutions such as banks over industrial firms to the point where the latter became dependent on the former and subject to their dictates with respect to decisions about investment, etc. Nor were Marxists alone in recognizing the rise of trusts. Muckraking (investigative) journalists reported on the power of Robber Barons and neoclassical economists' theories of monopoly and oligopoly provided theories of how they limit output and raise prices – to the detriment of consumers. Both contributed to the rise of "anti-trust" legislation to curb such practices. Three decades later, the American Marxist Paul Sweezy (1910–2004) in his book *The Theory of Capitalist Development* (1942), while retaining Hilferding's focus on monopoly, argued that the internal retained earnings of multinational, conglomerate, industrial corporations had grown to the point of freeing them from the kind of control by financial corporations that preoccupied Hilferding.

of materialist dialectics.[203] There are only a few passages in these texts tying developments in science to crises within capitalism. They deploy basically the same concepts of crisis that are in the two works he did bring to completion, namely an emphasis on the tendency of production (supply) to outstrip available markets (demand).

Engels also denounces the way *Social* Darwinists appropriated Charles Darwin's analysis of evolution by reducing it to nothing but a "struggle for existence." This amounted, he argued, to nothing but a "transference from society to organic nature of [Thomas] Hobbes' theory of *bellum omnium contra omnes* and of the theory of competition."[204] This reduction completely ignored how "The interactions of bodies in non-living nature include both harmony and collisions, that of living bodies conscious and unconscious co-operation as well as conscious and unconscious struggle."[205] Engels was certainly thinking about how the capitalist organization of competition, both among themselves and among workers, was their way of managing networks of co-operation both within units of production and across industries.[206] Moreover, he insists that where capitalism has developed, "where the means of development are socially produced – the categories taken from the animal kingdom are already totally inapplicable."

---

203 This effort to demonstrate that everything develops in a dialectical manner lay the foundation for the emergence of *dialectical materialism* understood as a philosophy, indeed as a cosmology, one in which *historical materialism* is a subset. This perspective was reduced to a dogma under Stalin, one that had a crippling influence on the development of science in the Soviet Union and led to their being caricaturized as "diamat" and "histomat." In less dogmatic forms they live on among some Marxists in journals such as *Historical Materialism*.

204 "A war of all against all." *MECW*, *Vol. 25*, p. 584.

205 These passages were taken almost verbatim from a letter from Engels to Lavrov, November 12–17, 1875, *MECW*, *Vol. 45*, pp. 107–109.

206 Remember how in Volume 1 of *Capital*, Marx immediately follows Chapter 12 on technological change being circulated by competition with Chapter 13 on Co-operation. Engels' critique of the one-sided appropriation of Darwin's ideas would find a more fully developed echo in Piotr Kropotkin's book *Mutual Aid* (1902), also aimed against Social Darwinists, which demonstrated through numerous examples how among both non-human animals and throughout human history co-operation has been as essential to evolution as competition. Although Kropotkin (1842–1921) is generally viewed as one of the fathers of anarcho-communism, there is a considerable overlap between his analysis and that of Marx and Engels. See, H. Cleaver, "Kropotkin, Self-valorization and the Crisis of Marxism" (1992), *Anarchist Studies* (February 1993).

> Finally, under the capitalist mode of production, production reaches such a high level that society can no longer consume the means of subsistence, enjoyment and development that have been produced, because the great mass of producers' access to these means is artificially and forcibly barred; and therefore every ten years a crisis restores the equilibrium by destroying not only the means of subsistence, enjoyment and development that have been produced, but also a great part of the productive forces themselves.[207]

It is this wasteful character, he argues, that give the "struggle for existence" a whole new meaning. Namely:

> To protect the products and productive forces produced by bourgeois capitalist society against the destructive, ravaging effect of this capitalist social order, by taking control of social production and distribution out of the hands of the ruling capitalist class, which has become incapable of this function, and transferring it to the producing masses – and that is the socialist revolution.[208]

In other words, for the struggle for existence within capitalism to be successful, capital's destructive methods must be replaced by non-destructive, careful planning by workers.

3.10 *Periodical Crisis Becomes Permanent Stagnation?*

As part of his efforts to circulate Marx's writings, besides editing and publishing the second and third volumes of *Capital*, Engels published two pieces in 1885 in which he raised what appeared to him to be a possible fundamental change in the pattern of capitalist crisis. The first was a preface he wrote for the first-time publication in German of Marx's *Poverty of Philosophy* (1847), which had hitherto only been available in the original French. Prior to its publication with the new translation, Engels published his preface as an independent article "Marx and Rodbertus" in *Die Neue Zeit*, No. 1.[209] In that preface, in the

207 *MECW*, *Vol 25*, pp. 584–585.

208 Ibid.

209 See the editors' note 141 on the composition and publication of this piece of writing, *MECW*, *Vol. 26*, p. 647. This was not the only time Engels found it desirable to critique Rodbertus; most of his 1884 Preface to Volume 2 of *Capital* is devoted to showing the falsity of Rodbertus' claims that Marx had plagiarized his own theory of surplus value. *Capital, Vol. 2*, pp. 83–102.

course of deploying Marx's critique of Proudhon to counter attacks by Johan Karl Rodbertus (1805–1875) on Marx and *Capital*, Engels writes the following in a footnote:

> Since England's monopoly of the world market is being increasingly shattered by the participation of France, Germany and, above all, of America in world trade, a *new* form of evening-out appears to have come into operation. The period of general prosperity preceding the crisis still fails to appear. If it should remain absent altogether, then *chronic stagnation* must necessarily become the normal condition of modern industry, with only insignificant fluctuations.[210] [my emphasis]

The old form of "evening-out," of course, was the kind of crisis he had hitherto emphasized: periodic industrial overproduction, cutbacks in production and layoffs, accompanied by crises in finance from speculative busts, bank failures, etc., followed by a rapid recovery with expanding production, rising employment, new speculations, etc.

His second discussion of such a possible failure of recovery came in an article, "England in 1845 and in 1885," published in *The Commonweal* in March of 1885 in which he contrasts crises in those two periods.[211] His analysis of the crisis of 1846 was basically the same as he and Marx had given at the time.

> Forty years ago England stood face to face with a crisis, solvable to all appearances by force only. The immense and rapid development of manufactures had outstripped the extension of foreign markets and the increase of demand. Every ten years the march of industry was violently interrupted by a general commercial crash, followed, after a long period of chronic depression, by a few short years of prosperity, and always ending in feverish overproduction and consequent collapse.[212]

Engels then sketches how, to avoid this pattern, English manufacturers pushed for free trade, succeeded in repealing the Corn Laws in 1846 and successfully

---

210 Friedrich Engels, "Marx and Rodbertus," October 23, 1884, *MECW*, *Vol. 26*, p. 288, fn*.

211 Friedrich Engels, "England in 1845 and in 1885," *MECW*, *Vol. 26*, pp. 295–301. Engels attached this article as an Appendix to the first English edition of his *The Condition of the Working Class in England*, published in New York in 1887 to update the analysis, at least partially. He later integrated it into a new Preface to both English and German editions in 1892. So, the same passages, quoted here from the original article, can also be found in *MECW, Vol. 26*, pp. 399–405 and *Vol. 27*, pp. 257–69 and pp. 307–23.

212 Ibid., p. 295.

expanded trade. They then credited "free trade" with "the revival of commercial prosperity" after the crisis of 1846–1847. To solidify their political power, they also took advantage of the resulting rapid growth to accept a restructuring of their relationships with workers.

> The Factory Acts, once the bugbear of all manufacturers, were not only willingly submitted to, but their expansion into acts regulating almost all trades, was tolerated. Trades Unions, lately considered inventions of the devil himself, were now petted and patronized as perfectly legitimate institutions and as useful means of spreading sound economical doctrines amongst the workers.[213]

The success of such education in pacifying labor, Engels argued, was in those "great Trades Unions," where "the labor of *grown-up men* predominates" and whose leaders came to collaborate with their employers. There, the condition of workers "has remarkably improved since 1848" – to the point of forming "an aristocracy among the working class." However, for the "great mass of the working people," he cautioned, "the state of misery and insecurity in which they live now is as low as ever, if not lower."[214] In short, by accepting the demands of some workers, capitalists were able to strengthen the hierarchy in their labor force by dividing the working class as a whole, leaving most no better off than before. These changes at home, Engels argues, combined with the dominance of English manufactures in world trade to form a kind of hay-day for British capitalism, albeit one periodically plunged into crisis. All this, he argued, could continue only so long as British manufacturers dominated world markets.

So, as in his critique of Rodbertus, Engels argued that as other countries gained ever larger percentages of markets the pattern of crisis would also change, a change already perceptible.

> We did not, indeed, pass through the full crisis at the time it was due, in 1877 or 1878; but we have had, ever since 1876, *a chronic state of stagnation* in all dominant branches of industry. Neither will the full crash come; nor will the period of longed for prosperity to which we used to be entitled

213 Ibid., p. 297.

214 Ibid., pp. 298–299. Positing the income/wealth hierarchy imposed on the working-class as a simple dichotomy of a better paid aristocracy and a large mass of much less well-paid workers would haunt Marxist thinking about that hierarchy for decades. In the worst cases, the entire working class of more industrialized countries would be treated as a sold-out aristocracy vis-à-vis the workers of countries capitalists had turned in exporters of raw materials.

> before and after it. A dull depression, a chronic glut of all markets for all trades, that is what we have been living in for nearly ten years.[215] [my emphasis]

Engels repeated this same argument in both letters and publications over the next years. For example, in a letter to Danielson, in November 1885, we find:

> But the principal cause is undoubtedly the totally changed state of the *Welmarkt* [world market]. Since 1870, Germany and especially America have become England's rivals in modern industry, while most other European countries have so far developed their own manufactures as to cease being dependent on England. The consequence has been the spreading of the process of overproduction over a far larger area than when it was mainly confined to England, and has taken – up to now – a chronic instead of an acute character. By thus delaying the thunderstorm which formerly cleared the atmosphere every ten years, this continued chronic depression must prepare a crash of a violence and extend such as we have never known before.[216]

And then, in a letter to Bebel the following year, he wrote,

> This is already the eighth year in which overproduction has exerted pressure on the markets and, instead of improving, the situation is getting steadily worse nor can there be any doubt that it is essentially different from what it used to be. Since the appearance of serious rivals to Britain on the world market, the era of crises, in the old sense of the term, has come to an end. If, from being acute, the crises become chronic yet lose nothing of their intensity, what is likely to happen?[217]

In his 1886 Preface to the English edition of Volume 1 of *Capital*, to explain why he judged that the "The working of the industrial system of [England] … is coming to a dead stop," he wrote:

---

215 Ibid., p. 299.

216 Engels to Danielson, November 13, 1886, *MECW*, *Vol. 47*, p. 349.

217 Engels to Bebel, January 20–23, 1886, *MECW*, *Vol. 47*, p. 390. See also this follow-up letter, Engels to Bebel, March 18, 1886, where he agrees "with your view that periods of prosperity of over 6 months will cease to occur," *MECW*, *Vol. 47*, p. 428.

> Foreign industry, rapidly developing, stares English production in the face everywhere … While the productive power increases in geometric ratio, the extension of markets proceeds at best in an arithmetic one. The decennial cycle of stagnation, prosperity, overproduction and crisis, ever recurrent from 1825 to 1867, seems to have run its course, but only to land us in the slough of despond of a permanent and chronic depression.[218]

Projecting that this "present dreary period of stagnation shall not only become intensified, but that its intensified condition shall become the permanent and normal state of English trade," he prophesizes that the resulting negative impact on workers, will bring about a renewal of workers' struggles, up and down the hierarchy. When, he writes, the English working class loses "its privileged position; it will find itself generally – the privileged and leading minority not excepted – on a level with its fellow-workers abroad. And that is the reason why there will be Socialism again in England."[219] By "Socialism again in England," Engels meant the revival of the socialist movement in that country.

3.11 *The Second International*

Although during his last decade, from 1885 to 1895, Engels saw neither permanent stagnation nor the reduction of the standard of living of the English working class to that of their "fellow-workers abroad," in 1889 he did see both a dramatic uptick in workers' self-organization and strikes and the coalescence of an International Socialist Workers' Congress in Paris in July. That Congress, which was attended by almost 400 delegates from workers' and socialist parties in 20 countries, constituted the beginning of the "Second International" (1889–1916). It's first action was to organize an international celebration of a workers' May Day.[220]

The celebration of May Day in London, pushed back to May 4, was a dual affair: a huge gathering organized mainly by representatives of new trade unions of mostly unskilled workers, involving over 200,000 workers and a smaller one organized by conservative trade unions of mostly skilled workers – that "aristocracy" Engels argued had been collaborating with their capitalist employers and eschewing socialism and any kind of fundamental critique of

---

218 Friedrich Engels, "Preface to the English Edition" (November 5, 1886) in *Capital, Vol. 1*, pp. 109–113, or *MECW*, Vol. 35, p. 35.

219 Friedrich Engels, "England in 1845 and in 1885," *MECW*, *Vol. 26*, p. 301.

220 Although May Day has since been associated with workers' struggles, May celebrations long predated the rise of capitalism, the formation of the working-class and its struggles. See Peter Linebaugh, *The Incomplete, True, Authentic and Wonderful History of May Day*, (Oakland: PM Press, 2016). Originally a pamphlet published in 1986.

the system. It was the former, the great mass of newly activated unskilled workers whose rising led him to declare that "the *English proletariat*, rousing itself from forty years of hibernation, *rejoined the movement of its class*."[221] Those forty years he attributed to "the failure of the Chartist movement of 1836–50 and … the colossal rise of industry between 1848 and 1880," during which time skilled workers had shared in the increased creation of wealth by collaborating with their employers. That period of quietude, he declared, "has come to an end."[222]

During the five years that followed (1891–1895) Engels was mostly involved in contributing to the development of the socialist movement, especially in Germany but also in strengthening ties among the various socialist parties of different countries, partly through correspondence, partly through trips abroad, both to the continent and to the United States. That development, of course, involved plenty of debate over theory, strategy, and tactics.

3.12 *Engels: Sources and Circulation of Crises*

With respect to theory, Engels often found his efforts to circulate his and Marx's ideas frustrated by what he viewed as misinterpretations, including those about crises within capitalism. In an 1890 letter to Conrad Schmidt (1863–1932), Engels argues against the tendency to oversimplify the sources of crises by overestimating one source while ignoring others. As capitalism develops, he argues, crises can occur in quite different moments of its circuits because those moments become complex and generate their own internal dynamics. For example, despite reaffirming his and Marx's longstanding position that "Production is, in the final analysis, the decisive factor," he also recognizes how,

> … as soon as trade in products becomes independent of actual production, the former follows a trend of its own … does in turn obey laws of its own, laws inherent in the nature of this new factor; it is a trend having its own phases and reacting in turn on the trend of production[223]

Further,

> Once trade in money becomes divorced from trade in commodities, it will – under certain circumstances determined by production and by the

221 Friedrich Engels, "May 4 in London," May 5–21, 1890, *MECW*, *Vol. 27*, p. 61.
222 Ibid., p. 66.
223 Engels to Schmidt, October 27, 1890, *MECW*, *Vol. 49*, p. 58.

> trade in commodities and within those limits – develop in its own way subject to the special law and distinctive phases determined by its own nature.[224]

> … it is, moreover, a fact that the money market may also have its own crises in which actual industrial disturbances play only a subordinate role, if any at all, and in this sphere there is much to be investigated, particularly in regard to the last 20 years.[225]

Moreover,

> If in addition and in the course of this further development, the trade in money expands to comprise trade in securities, the said securities being not simply government paper, but also the shares of industrial and commercial concerns, i.e., if the trade in money gains direct control of a section of the production by which it is largely dominated, then the reaction of the trade in money on production will be even stronger, and more complex.[226]

Not only is Engels recognizing how crises can break out in various parts of the circuits of capital for separate reasons, in production, commerce, money and financial markets, but also how these different sources of crisis then "react upon" or circulate to other moments of the circuits. I address such circulation in Chapter 5, Section 4 on the "Circulation of Breakdown".

---

224 Ibid.

225 Ibid.

226 Engels' "most striking" example of such financial control is "the North American railroads, the running of which is entirely dependent on the day-to-day stock market operations of a Jay Gould, Vanderbilt, etc., which have nothing whatever to do with any particular railroad or its interest qua means of transport." Ibid., 59. This line of argument about financial control of industry will be taken up a decade later by Hilferding in his *Finance Capital* (1910) (see footnote 202).