
II. VARIOUS EMBODIMENTS OF DIALECTICS

Marx's *Capital*: a Philosophy of Capitalist Society

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Abstract

This article focuses on the place of the capitalist society in the general perspective of the historical development as a part of Karl Marx's socio-philosophical conception developed in his major work *Capital: The Process of Capitalist Production*. We believe that Marx's main conclusion is expressed in his defining the capitalist society as the first and only society in history whose *differentia specifica* is the reified relationship. We attempt to prove that Marx's theory of the alienated labor as it is developed in his *Economic and Philosophic Manuscript of 1844* opens the avenue for understanding the ultimate essence of the capitalist society, that is, the dominating reified relationship, which conceals the real social character of economic relations.

The philosophical fields to which Karl Marx's *Capital* contributes the most is, besides logics, the philosophy of capitalism. On the one side, as long as the exposition structure is concerned, there are not just mechanically compiled economic data, but rather a carefully thought-out and strictly applied logical conception. On the other side, the very content is not just an interpretation of some economic phenomena, but a thorough analysis of the capitalist society. Even when Marx refers exclusively to some particular economic phenomena, his analysis develops their sense and meaning in the context of the entire system of social relations. The analysis of the economic base implies conclusions about the superstructure, whereas the analysis of the social life grows up into an analysis of the social consciousness. At the same time, by virtue of its coherency, which is both scholarly rigorous and aesthetically delightful, Marx's analysis reveals the prospects of capitalist society, i.e. its historicity. Furthermore, this is not just a matter of capitalism's immediate

negation, but rather of its place within the perspective of the total historical development. Marx's fundamental conclusion consists in the characteristic he gives to capitalist society as the first and only society in human history, whose *differentia specifica* are relations-mediated-by-things.

Every individual possesses social power in the form of a thing. Take away this social power from the thing, and you must give it to persons [to exercise] over persons. Relationships of personal dependence (which originally arise quite spontaneously) are the first forms of society, in which human productivity develops only to a limited extent and at isolated points. Personal independence based upon dependence mediated by things is the second great form, and only in it is a system of general social exchange of matter, a system of universal relations, universal requirements and universal capacities, formed. Free individuality, based on the universal development of the individuals and the subordination of their communal, social productivity, which is their social possession [*Vermögen*], is the third stage. The second stage creates the conditions for the third.¹

This paragraph from Marx's 1857-58 manuscript is in its own a periodization of human history. Allow me the remark that this is not Marx's first historical periodization, nor is it the only one in the total corpus of his works. Furthermore, each of his periodizations follows its own theoretical principle. Let us suppose that Marx's 1844 periodization of history has, as its theoretical foundation, the correlation between freedom and necessity. If this is the case, then the above cited periodization criteria is the relation between the individual and the society. The periodization we are interested in here, however, includes the following stages: 1. relations of personal dependence, i.e. pre-capitalist forms of society; 2. relations of personal independence based on dependence mediated by things, i.e. capitalism; 3. free individuality, i.e. the communist form of society. The principle of this periodization is determined by the different types of social dependence. It allows to establish the historical place of capitalism and reveals that capitalism to the great extent, as a

¹ Marx, K., Engels, F., *Collected Works* (London: Lawrence & Wishart, 2010), v. 28, 95.

separate period in the history of humanity, is definitely different from all societies that came earlier, on the one hand, and from the future communist society, on the other. Moreover, as we can see, according to Marx, such a distinctive mark are the relations-mediated-by-things.

In addition, I would like to point out that the above cited periodization—and above all its theoretical foundation concerning the forms of social dependence, i.e. the individual-society relation—clearly shows the error of the allegations due to which Marx underestimates the question of personal freedom. I am to draw the attention to only one fact: Marks characterizes the future communist society as a society of free individuality. This is a definition of the essence of such a future society; this is not just pointing toward an accessory, subsidiary consequence or to some additional aspect.

At the same time, the above-cited periodization also reveals the path young Marx had to go through to reach his own theoretical maturity. In 1843, Marx characterizes the expected future society as a society of human emancipation. The essential part of this characteristic is sublated (*Aufheben*) in his later definition, while the very picture of capitalist society is deepening.

The Problem of Alienation

As it is well known, the problem of alienation in Marx's philosophy has provoked intensive discussions which starts in 1932 when his *Economic and Philosophic Manuscripts of 1844* are published. And this discussion continues to this very day. This topic has become one of the pillars for Marxist philosophers' distinguishing and contrasting the two fundamentally different stages in Marx's work: the first one marking the period of a humanist philosopher, and the second one being the period of Marx's theoretical anti-humanism when the problem of alienation is neglected. Let us use the aphoristically expressed Marxist methodology according to which "the anatomy of man holds the key to the anatomy of the monkey." If so, what does then the analysis of Marx's economic manuscripts prove? This is namely from the standpoint of the *Manuscript of 1857-58* that we can reveal the real theoretical value of Marx's 1844 discovery: the concept of "alienated labour." This is namely the development of the theory of alienated labor in 1844 that traces the path to a deeper understanding of the nature of capitalist society, i.e. a mediated-by-things relation that dominates and hides the so-

cial character of the human relations. That is why, the analysis by the concept of alienated labour has such an heuristic value since this is the first insight that goes beyond and overcomes the mediated-by-things understanding of the private property.

This discovery is preceded by an analysis of the intellectual, religious, and political alienation. This analysis reaches at their common origin, the alienated labor. A conclusion follows stating that the production determines all aspects of public life; a discovery made in 1844 too and clearly interconnected with the theory of the alienated labor. As a result, Marx's conception of alienation undergoes substantial development. The concept of alienation itself directs the whole theory to an entirely new level of development. It becomes apperant that this theory cannot be anymore a synonym to a philosophy of capitalist society. It turns out to be too general and, in this sense, not up to the task to reveal the specificity and the diversity of the ontology and the phenomenology of capitalist society. At a certain stage of the analysis, the heuristic functions of the theory of alienation turn out to be decisive for the development of the whole. At the next stage, it limits itself to only one area. In Marx's theory, the concept of alienation keeps being theoretically significant for elucidation of one of the most important parts of the social whole, namely, the relation of the individual and the society.

The new stage in the alienation analysis consists in the revelation that the very nature of alienation is within the mediated-by-things relation. It means that the alienation turns out to be not only a suspension of certain relations, but, above all, a creation of a certain new and radically different type of social relations. This happens mostly within the socially determined production—on the one hand, it destroys, while on the other hand, deforms the social relations between people. In the Manuscripts of 1844, the deformation of social relations is accentuated. In the economic works of Marx, the disintegration of those relation is emphasized. It is clear, sure, that these two moments do not exclude each other, on the contrary—they presuppose one another. Marx writes in the *Manuscript of 1857-58* “how their own exchange and their own production confronts individuals as an reified relationship [i.e. mediated-by-things, H.P.] independent of them.”² As we can see, Marx links the both

² Ibid., 98

processes: the alienation process and the objectification process, and their linking manifests the facts that the social laws are objective, i.e. this is the very objectivity in the capitalist society.

The Mediated-by-things, i.e. Reified Relationship

A first feature of the reified relationship [the mediated-by-things relation] as a historical form of a social relation, is its universal nature. Personal dependence being substituted by reified dependence [mediated-by-things dependence] means the following: while in antiquity the class relations consist in a personal dependence of a slave on the slave-owner, and in feudal society a personal dependence of the peasant on his liege, in capitalist society such type of personal dependences does not exist. The two main classes are, in a formal political sense, independent, and their interrelations are constructed through purchase and sale, through values' exchange. The dependence becomes reified (mediated-by-things) and consequently indirect, mediated, hidden. The exchange value plays a basic role, and this is the source of the universality of the reified relationship (the mediated-by-things relation), of the reified dependence—the one in which Marx discovers the essence of alienation. "Exchange and division of labour condition each other. Since each person works for himself but his product is nothing by itself, he must naturally engage in exchange, not only so as to take part in the general capacity to produce, but to transform his own product into means of subsistence for himself."³

What goes on the surface through the analysis of the reified relationship (the mediated-by-things relation) as essence of the alienation? Marx detects that capitalism is the first society whereby the production of exchange value becomes an end in itself. In every other types of society, the production aims at creating use values. The production of exchange values as an end in itself changes the very interrelation between production and consumption. The pre-capitalist production is stimulated by the needs, while at the same time the very needs limit it. In capitalism the consumption itself expands limitlessly thanks to the universal production, because the production always produces newer and newer needs. Thus, capitalism demonstrates a new tempo of historical move-

³ Ibid., 95

ment. Whereas all pre-capitalist societies are static, capitalism is the first dynamic society. A constant revolutionizing of the means of production has its roots and reasons once again in the same base of capitalism—the exchange value. In opposition of the use value, it is a manifestation of the social form, i.e. of a peculiar stage in the development of the production rather than of its reified nature, i.e. of a moment, which is common to every production.

The production of exchange values determines yet another peculiarity of capitalism: it is the first urban society built on industrial labor, as opposed to all previous societies, which are rooted in agriculture and consequently are of a rather rural character. Thus, through the analysis of an economic fact are the production of exchange values, Marx manage to characterize capitalism as a whole. This is a sort of analysis where the functions and the heuristic role of the concept of alienation is taken on by other concepts: by objectification (mediation-by-things), exchange value etc., whereas the absence of the general philosophical term alienation does not (not at all!) imply an absence of the problem and the social condition which are to be defined as alienation. So, the term is absent but the analysis through going in detail in the most complex labyrinths of the capitalist social weave targets namely this common philosophical problem (though it is not a purely philosophical problem). In other words, it is a matter of not only detecting a problem, but rather of unveiling its essence, unveiling of that “particular universal” which shows the very genesis of the researched phenomenon, while at the same time puts it in perspective.

A second peculiarity of the reified relationship (mediated-by-things relation) is the fact that it is depersonalized. It is namely this aspect of it that emerges in the destruction of the traditional moral human relations which are described so masterfully in the *Communist Manifesto*. In the *Manuscript of 1857-58*, Marx writes: “The activity, whatever its individual form of manifestation, and the product of the activity, whatever its particular nature, is *exchange value*, i.e. something general in which all individuality, all particularity is negated and extinguished.”⁴ “The exchangeability of all products, activities, relationships for a third, *reified* entity, which in turn can be exchanged for everything *without*

⁴ Ibid., 94

distinction—in other words, the development of exchange values (and of monetary relationships) is identical with general venality, with corruption. General prostitution appears as a necessary phase in the development of the social character of personal inclinations, capacities, abilities, activities.”⁵

The last sentence of Marx emphasizes that this is namely the exchange value as something universal (for a historical phase, i.e. within the framework of the particular), something depersonalizing—denies the individualities, while at the same time denies the very personal limitation that is an obstacle in the way of the development of production in the previous types of society. “This is indeed, writes Marx, a condition very different from that in which the individual, or the individual extended by a natural or historical process into a family and a tribe (later community), directly reproduces himself from nature, or in which his productive activity and his share in production are dependent on a particular form of labour and of the product, and his relationship to others is determined in this particular way.”⁶

Thus, Marx demonstrates the implicit deep connection between the static nature of pre-capitalist economy and the domination of traditions in the interpersonal relations. Marx’s very approach is quite important; he is studying simultaneously economic relations, inter-class, and interpersonal relations as well as the superstructure. Nevertheless, it is precisely the reified relationship that, while ensuring a dynamic development of the social production through its universality and depersonalization, provokes the appearance of negative phenomena of alienation. The reified relationship has a dual character, which is its third feature. It is a connection and at the same time an absence of connections, it is a creation of social relations and at the same time their destruction, whereby the consequences in the realm of morality are extremely severe. This is a result of its economic nature. “Of course, exchange as mediated by exchange value and money presupposes the absolute mutual dependence of the producers, but at the same time the complete isolation of their private interests and a division of social labor, whose unity and mutual complementarity exists as it were as a natural relation-

⁵ Ibid., 99-100

⁶ Ibid., 94

ship outside the individuals, independently of them.”⁷

The above-cited paragraph is taken from the *Manuscript of 1858-57*. I will add that in the *Capital* Marx talks about the social development as a “natural historical process.” Furthermore, he and Friedrich Engels determine the “making of history” by people as a clash between multitudes of wills. These specificities and objectivity of the historical process derive once again from the nature of the reified relationship. “The social character of the activity, as also the social form of the product and the share of the individual in production, appear here as something alien to and existing outside the individuals; not as their relationship to each other, but as their subordination to relationships existing independently of them and arising from the collision between indifferent individuals.”⁸

Accordingly, the reified relationship turns out to have two sides: on the one hand, it means creation of new, unseen until now in history universal relations; on the other hand, it is based on private interests and leads to the phenomena of alienation. Therefore, a paradox emerges in capitalism: the creation of universal relations leads to an incredible expansion of society as a super-system, which suppresses personality. The unseen development of production starts to look like a destiny that looms over the individuals who produce. This is the reason of the deep relativity and the contradictory nature of the capitalist progress, something that is so eloquently described in *The Communist Manifesto*.

In the bourgeois economy—and in the epoch of production to which it corresponds—this complete unfolding of man's inner potentiality turns into his total emptying-out. His universal objectification becomes his total alienation, and the demolition of all determined one-sided aims becomes the sacrifice of the [human] end-in-itself to a wholly external purpose. That is why, on the one hand, the childish world of antiquity appears as something superior. On the other hand, it is superior, wherever fixed shape, form and established limits are being looked for. It is satisfaction from a narrow standpoint; while the modern world leaves us unsatisfied or, where it does appear to be satisfied with itself, is merely vulgar.⁹

⁷ Ibid., 95

⁸ Ibid., 94

⁹ Ibid., 412

According to Marx, however, this does not mean that we have to give up the capitalist progress. The reified relationship “is to be preferred to the lack of any connection or to a purely local connection.”¹⁰ This is through the universal production that the premises of a free association of individuals are created and this is the dialectics of history. This is maybe also the greatest historical paradox: it is essential for a super-system to fully develop in order for the conditions for its destruction to appear. Individuals cannot master their own society without being bound through universal connections and relations corresponding to the universal nature of this society. These connections, however, cannot arise in any other way, but on the base of the reified relationship. Therefore, the social progress is necessarily antagonistic in that phase of human prehistory (if we use Marx’s term for this part of human history as he did in 1844; this is one of his periodizations of history, corresponding to Engels’s periodization in *Anti-Dühring*—the “kingdom of necessity” and the “kingdom of freedom”, which in Marx are respectively prehistory and real history). If Marx comes to this conclusion about the necessarily antagonistic nature of the social progress during this historical stage, then it is clear that it is a matter of a very deep asynchrony of social development. Marx formulates his conclusions directly: „the concept of progress is not to be taken in the usual abstract form.”¹¹ Marx also looks at the uneven development of arts. Let us summarize. It is namely in the *Capital*, i.e. in his economic studies that Marx proves the fundamental nature of alienation as a characteristics of capitalism. Marx determines the main periods of historical development, i.e. he creates a periodization of history, targeting precisely those relations which in a certain aspect express themselves in the concept of “alienation”—relations between a person and the society. That is what, represents the theoretical base of the *Manuscript of 1857-58* periodization of history. Marx distinguishes three periods:

- During the first period, the relations between people are in the foreground. These relations, however, are ones of raw dependence. People themselves are empirically limited. Their relations are local. Nevertheless, the people seem to be the creators of their own history.

¹⁰ Ibid., 98

¹¹ Ibid., 46

- During the second period, the relations between objects, between things stand out. The human nature of the social dependences is hidden. The social process here resembles the phenomena of nature with their inherent unpredictability. Nevertheless, at the same time these are the relations in which universal society and universal individuals appear for the first time.

- During the third period, again we have the people in the foreground, however, now the relations between people are built on their free association and on mastering the laws of human society. Thus, the third period is not just a return to what was in the beginning, but rather to its new historical phase; this is not a circle, but a spiral.

In the basis of the dualistic contradictory nature of social progress of capitalism stands the reified relation. It is the expression, the bearer of the contradictory nature. Due to its contradictions, the alienation develops parallel to the development of the social relations quantitatively as well as qualitatively. In terms of quantity, the expansion of the social connections means increase of the force that dominates over the individuals. In terms of quality, because of the exchange relations a whole range of new needs, abilities, and talents emerge but they develop through their reduction to the market, through their transformation into exchange values, and finally, through their reification. Thereby, new unexpected aspects of human knowledge and human abilities are discovered and at the same time they are being alienated. The road to a free and full development of individuals necessarily goes through the flames of a total devastation; this is one of the historical paradoxes. There is a final dialectical paradox: within the context of capitalist society, history looks like a natural history and society itself looks like a nature. This happens because human being has not yet fulfilled his/her “natural” determination, his essence of a social being.

Historical Horizon of Capitalism: Social and Economic Aspects

Marx analyses in detail not just the genesis of capitalism and his interrelations with pre-capitalist social formations. He demonstrates the historical limits of capitalism. In that aspect, the importance of *Capital* is very timely. Being submerged in the contemporary theoretical debates about so-called “postindustrial society,” “information society,” “global society,” “the future of capitalism,” “the retardation of the world revolution,” etc., it is all too important to study Marx’s concepts of the eco-

nomic and historical limits of capitalism. To be aware of this, it is important in connection with the polemics around Marx's own views. The main attack against Marx is based on the fact that his prognosis about the expected end of capitalism still in the 19th century has never come true. In such criticisms, we shall note, the authors never differentiate what is of a principle importance, i.e. they never differentiate between the economic ending, exhausting of capitalism, and the specific socio-historical conditions which could accelerate or delay the overcoming of capitalism. This is the question about the historical circumstances and the activity of the subject. Marx's conception is being identified with one or another aspect of his prognosis, and the result is that its main aspect, which is the question of the objective limit of capitalism, is totally overlooked.

Let me now take a look, in accordance with Marx's own methodology and his views, first, at the technological limits of capitalism, i.e. at that highest level of development of the forces of production, which can be accomplished under capitalism; and second, at the socioeconomic limits of capitalism, i.e. at the limits, to which capitalist relations of production could be a context for the development of the forces of production. Studying the tendencies in the development of productive forces, Marx writes:

Labour no longer appears so much as included in the production process, but rather man relates himself to that process as its overseer and regulator. What is true of machinery is equally true of the combination of human activities and the development of human intercourse. No longer does the worker interpose a modified natural object as an intermediate element between the object and himself; now he interposes the natural process, [VII-3] which he transforms into an industrial one, as an intermediary between himself and inorganic nature, which he makes himself master of. He stands beside the production process, rather than being its main agent.¹²

It is easy to see that this description equally refers to the nowadays processes and tendencies of scientific and technological development. The very automation of production is exactly a qualitative change of the

¹² Marx, K., Engels, F., *Collected Works*, v. 29, 91

place of man in the production. And that is the essence of the scientific and technological revolution which has started in the 1950s, i.e. approximately a hundred years after Marx's prognosis appeared. Without foreseeing the technological discoveries which are the base of the contemporary scientific and technological revolution, without even speaking about them, Marx with stunning accuracy explicates the technological level of this revolution. The automation and the radical shift in man's place in the process of production is the first aspect of his extrapolations. This first aspect is connected to the second one, that is to the growing importance of science and its transformation into an "immediate productive force." "The development of fixed capital shows the degree to which society's general science, KNOWLEDGE, has become an *immediate productive force*, and hence the degree to which the conditions of the social life process itself have been brought under the control of the GENERAL INTELLECT and remoulded according to it. It shows the degree to which the social productive forces are produced not merely in the form of knowledge but as immediate organs of social praxis, of the actual life process."¹³

Marx is the first writer to introduce the term "immediate productive force" in order to define the new situation of science in the context of capitalist society. This concept of Marx logically derives from his general conception about the perspectives of the technological progress and not quite accidentally works as a prognosis. If the worker puts, between himself and the object of labor, a "natural process" rather than "a modified natural object," it could happen only with the help of science. In such a way, it is namely in the production process the closest interaction of science and technology is fulfilled; science becomes "immediate productive force." Because of such a deep penetration in the tendencies of the development of capitalist production, Marx foresees that unity and interrelation of science and technology, which is later expressed in the term "scientific and technological revolution." It is impossible for those deep changes within the production process not to reflect upon the socioeconomic system of the social relations. The unfolding of these tendencies studied by Marx (automation of production, transformation of science into an immediate productive force, the worker being brought

¹³ Ibid., 92

out of the immediate technological process) outline the technological limit of the development of capitalism. In this connection Marx writes:

Once this transformation has taken place, it is neither the immediate labour performed by man himself, nor the time for which he works, but the appropriation of his own general productive power, his comprehension of Nature and domination on it by virtue of his being a social entity—in a word, the development of the social individual—that appears as the cornerstone on production and wealth. The *theft of alien labour time, which is the basis of present wealth*, appears to be a miserable foundation compared to this newly developed one, the foundation created by large-scale industry itself. As soon as labour in its immediate form has ceased to be the great source of wealth, labour time ceases and must cease to be its measure, and therefore exchange value [must cease to be the measure] of use value. The *surplus labour of the masses* has ceased to be the condition for the development of general wealth, just as the *non-labour of a few* has ceased to be the condition for the development of the general powers of the human mind. As a result, production based upon exchange value collapses, and the immediate material production process itself is stripped of its form of indigence and antagonism. Free development of individualities, and hence not the reduction of necessary labour time in order to posit surplus labour, but in general the reduction of the necessary labour of society to a minimum, to which then corresponds the artistic, scientific, etc., development of individuals, made possible by the time thus set free and the means produced for all of them.¹⁴

In this way, according to Marx, the radical shift in man's place in the production process is an expression of the deep change in the very economic mechanism of society, and demonstrates the limits of applying the economic laws of capitalism. Here we can also see yet another important feature of Marx's prognoses. They refer not just to our contemporaneity capitalism but also to the entire historical existence of capitalism as a social formation. In order to understand the importance of Marx's prognoses we have to keep in mind that Marx here disregards

¹⁴ Ibid., 91

the correlation between subjective and objective factors in the social process, and examines the correlation between the forces of production and the relations of production in its pure state. As a result, Marx highlights an irresolvable contradiction of capitalism, one that will keep on deepening even further—the radical shift in man’s place within the production process means new opportunities and new requirements for the human labor force, and these are requirements for a versatile personality development. Marx fixes these requirements in his law of the shift in the labor. The dynamic in which the inner contradictions of capitalism develop makes it impossible the versatile personality development to take place. In this way, it enters a deepening contradiction with the requirements of production. The relationship between the two aspects of the reified relationship—“the positive,” or the universal connection, and the “negative”, or the universal alienation, determines the historical horizon of capitalism, the limit of its economic laws’ functioning. To a certain point, the alienation plays the role of a sapper; it clears the way for establishing the reified relationship in its positive aspect. At a certain level of the development of production, i.e. when man’s place in the production goes under a radical transformation, together with the automation of the production and the transformation of science into an immediate productive force, alienation stand out as a barrier in its negative aspect. “The barrier to *capital* is the fact that this entire development proceeds in a contradictory way, and that the elaboration of the productive forces, of general wealth, etc., knowledge, etc., takes place in such a way that the working individual *alienates* himself; that he relates to the conditions brought out of him by his labour, not as to the conditions of *his own*, but of *alien wealth*, and of his own poverty. But this contradictory form is itself vanishing and produces the real conditions for its own transcendence.”¹⁵ This conclusion represents a peak in the scientific justification of Marx’s real humanism. Of course, the problem of the historical limit of capitalism is set by Marx not just from the point of view of the place of the individual, science, and technology in the production system of capitalism. It is also set from the viewpoint of the objective tendencies of development of the economic structure in capitalist society. We could for example stress the heuristic value of Marx’s analysis

¹⁵ Marx, K., Engels, F., *Collected Works*, v. 28, . 465

regarding the financial capital's tendency to transform itself into a dominating factor in the entire economic system of capitalism. Such a fact is more than obvious today.

It might be surprising that some peculiar aspects of credit and stock speculations are not just discovered and explained by Marx in the terms of his theory, but they continue to be quite timely when it comes down to the contemporary financial markets. In the third volume of the *Capital* it is pointed out that

the credit offers to the individual capitalist, or to one who is regarded a capitalist, absolute control within certain limits over the capital and property of others, and thereby over the labour of others. The control over social capital, not the individual capital of his own, gives him control over social labour. The capital itself, which a man really owns or is supposed to own in the opinion of the public, becomes purely a basis for the superstructure of credit. This is particularly true of wholesale commerce, through which the greatest portion of the social product passes. All standards of measurement, all excuses more or less still justified under capitalist production, disappear here. What the speculating wholesale merchant risks is social property, not *his own*. Equally sordid becomes the phrase relating the origin of capital to savings, for what he demands is that *others* should save for him. The other phrase concerning abstention is squarely refuted by his luxury, which is now itself a means of credit. Conceptions, which have some meaning on a less developed stage of capitalist production, become quite meaningless here. Success and failure both lead here to a centralisation of capital, and thus to expropriation on the most enormous scale. Expropriation extends here from the direct producers to the smaller and the medium-sized capitalists themselves. It is the point of departure for the capitalist mode of production; its accomplishment is the goal of this production. In the last instance, it aims at the expropriation of the means of production from all individuals. With the development of social production the means of production cease to be means of private production and products of private production, and can thereafter be only means of production in the hands of associated producers, i. e., the latter's social property, much as they are their social products. However, this expropriation appears within the capitalist system in a contradictory form, as ap-

propriation of social property by a few; and credit lends the latter more and more the aspect of pure adventurers. Since property here exists in the form of stock, its movement and transfer become purely a result of gambling on the stock exchange, where the little fish are swallowed by the sharks and the lambs by the stock-exchange wolves.¹⁶

The financial crisis we witness in the last ten years showed well enough several things:

- the private initiative is not able of handling or resolving any global problem, precisely because it is a private initiative belonging to private interests;
- the crisis turns out to be unexpected and the overwhelming opinion is that it does not follow the traditional models of business-cycles. There is no yet described any possibilities of ending the crisis (i.e. the existing economic theories and models are made according to the measure of everyday life);
- saying goodbye to illusion that the financial speculations create wealth (for everyone or for the entire society); an illusion resulting from the false appearance that financial capital is independent of the real economy.

What is the reason for all this? It is so because under capitalism, as Marx points out, and as also Engels says in his short *addendum* to Marx's text:

the wealth of society exists only as the wealth of private individuals, who are its private owners. It preserves its social character only in that these individuals mutually exchange qualitatively different use values for the satisfaction of their wants. Under capitalist production, they can do so only by means of money. Thus, the wealth of the individual is realized as social wealth only through the medium of money. It is in money, in this thing, that the social nature of this wealth is incarnated.—*F.E.* \\ This social existence of wealth therefore assumes the aspect of a world beyond, of a thing, matter, commodity, alongside of and external to the real elements of social wealth. So long as production is in a state of flux this is

¹⁶ Marx, K., Engels, F., *Collected Works*, v. 37, *Capital*, vol. III, 436-437

forgotten. Credit, likewise a social form of wealth, crowds out money and usurps its place. It is faith in the social character of production, which allows the money form of products to assume the aspect of something that is only evanescent and ideal, something merely imaginative. But as soon as credit is shaken—and this phase of necessity always appears in the modern industrial cycle—all the real wealth is to be actually and suddenly transformed into money, into gold and silver—a mad demand, which, however, grows necessarily out of the system itself.¹⁷

The financial speculations are a peculiar type of virtualizations of the real economy and that is why they create the false appearance that in their realm certain qualities of human mentality play a bigger role than in the immediate reality of the social relations. Actually, the subjectivity of the subject is taken into account here. But this is not its entire subjectivity that is taken into account and rather one of its aspect trained well enough to be used in a process of lying and extortion; extortion in which the reality always slips out of reach while one thinks one is controlling it. Hence, the specific mark of contemporary financial crises is the obvious contrast between the real economy of producing goods and services and the irrational drive towards quick and easy gains on the financial markets of shares, debentures, banks, investment funds, derivatives, etc. One of the brightest examples of the immanent instability of capitalism as a specific historical form of society is the way it creates and acquires public wealth and more precisely, the contradiction between the public, social way of creating the wealth and the private way of its appropriation, distribution and redistribution. Although capitalism has made wonders in the sphere of social ontology as well as on the various levels of the complex social life, it still has one irresolvable inherent disadvantage. It is a society in which man is neither an end for other men, nor man is an end for oneself.

¹⁷ Ibid., 568-569