CHAPTER VII

CONCLUSION
We have now a fairly exhaustive survey of the systems of Adam Smith, Ricardo, Malthus, J.S. Mill and Karl Marx. We saw that except Malthus no other classical thinker could maintain the harmonious order intact in his system. The phenomena of class-conflict crept in and a ground was prepared for Marx to present a comprehensive analysis of the problem.

In Adam Smith we found a conflict between the labourers and capitalists. There were instances in which we traced a conflict between the two proprietor classes - the landlords and the capitalist. One must, however, keep in mind that it was the beginning of the industrial revolution in England which was emerging slowly and gradually. Therefore, the class-conflict was also in the preliminary stage. We should again note, that the instances of class-conflict cannot be taken as exceptional cases because we have already observed the Smith was not quite sure about the smooth working of his system. He, therefore, prepared the ground for Ricardo and others to follow.

Ricardo's system is a very controversial issue for class conflict. We have already discussed that Marx misunderstood him because he never established a conflict between the capitalists and the labourers. There is however, a short run conflict between the two proprietor classes in his system. The introduction of machinery also inflict injurious effects upon the labourers in the short-run. From the long-run point of view, which is
incidentally Ricardo's real problem, there is no class-conflict in his system.

Malthus may be regarded a true disciple of Adam Smith. He controverted with Ricardo and tried to patch-up the work of Adam Smith to establish complete class-harmony in the system. His system is based upon the forces of supply and demand. Nobody, amongst the labourers, capitalists and landlords could receive more or less than the due share from the produce, because the shares themselves were determined by the market mechanism.

We should, however, note that Malthus too, was not fully satisfied with the automatic working of the system. He saw the seeds of crisis in the capitalist mode of production due to over production caused by under consumption. He therefore, advocates deliberate maintenance of the unproductive consumers and appreciates the landlord class in this connection.

J.S. Mill faithfully follows Ricardo. He also establishes a class-conflict between the two proprietor classes in the short-run. Like Ricardo he finds the improvements on land as injurious to the interests of the landlord-class and beneficial to the capitalist-class. In the long run, however, class-conflict is transformed into class harmony.

J.S. Mill, however, does not satisfy himself with the above class-conflict between the two proprietor classes. He
traces the conflict between the labourers and the capitalists. It is very important that he traces even the history of class-conflict from primitive society to the capitalistic one. His comments on the introduction of machinery are more severe than those of his master - Ricardo. He criticised the law of inheritance, condemned private proprietorship, praised socialism and even communism in comparison to the present mode of distribution.

Marx's entire system is based upon the theory of class conflict. He establishes a conflict between the capitalists and the labourers and advocates the abolition of private property and transformation of capitalism into socialism - a classless society with no class conflict.

To trace the phenomenon of class-conflict from Adam Smith to Marx we must note that since the inception of the physiocrats in the history of economic thought, there has been a persistence controversy on the unexplained share of one or more of the factors of production, as a residual of surplus. The economists, therefore, were engaged to see that some particular factor was rewarded only by the surplus and the implication that the owners of that factor were social parasites or worse.

It would appear to be difficult to consider the workers as functionless residual claims in this sense, but the physiocrats, in their obsession with the fundamental productiveness of land almost succeeded in doing so. Adam Smith, as
we have already discussed, was critical towards the peculiar position of the landlord class. Ricardo much more convincingly stressed the surplus nature of rent, and as a capitalist was distressed at the prospect of the landlords' passively observing all the fruits of technical progress and of capitalists accumulation. Malthus as a defender of the landed interests was more concerned with the evils of high profit (interest) rate as a brake upon economic activity and found a useful function for the landlords in their propensity to spend.

As a result of these disputes it was impossible for classical political economy to avoid occupying itself with the problems of the class-structure of society and its class-conflicts. "Because of this" remarks A.P. Lerner, "Marx was able to consider the development of the society as a whole to simplify into a manageable shape by the concept of the class-struggle and to build up his great contributions to the 'laws of motion' of social organisation without departing very considerably from the topics commonly dealt with the classical political economists". 1

The theory of rent propounded by Ricardo and his followers thus, formed the ground for maintaining that the very policies

which would tend to the lowering of the rate of profit and the consequent retardation of capital accumulation and industrial progress would at the same time augment the revenue of the landed class and swell the burden of unproductive consumption on the national wealth. The theory of surplus-value, propounded by Karl Marx, implied that, since the two class incomes of profits and wages were so contrasted in their essential character and in the manner of their determination, the relation between them was necessarily one of antagonism in a sense which made it qualitatively distinct from the relation between ordinary buyers and sellers in a free market. The capitalist class would have an interest in perpetuating and extending the institutions of a class-society, which maintained the proletariat in a dependent position and created surplus-value as a category of income, as powerfully as the landed interest had formerly had in maintaining the corn-laws, while the proletariat would have a corresponding interest in weakening and destroying these basic property rights. Maurice Dobb, therefore, writes, "clearly its importance as basis for a critique of capitalism was in many respects parallel to that of the theory of rent for a critique of the landed interest in the hands of the Ricardian-school".  

Moreover, as we have already observed, the earlier classical economists knew that the labour produces over and above his subsistence wages. The whole produce, after the payment of rent, is divided between the wages and profits. They, however, did not see any point of exploitation because the capitalists were as necessary to the workers as the workers were to the capitalists. Still there was a serious slip on the part of the classical thinkers that they did not propound sound arguments in support of the share of the capitalist class the profits. This positive slip opened the way to the doctrines of Marx of describing real capital itself, or the capital goods (e.g., machines) used by labour in production as representing or embodying only the previous labour by which it (or they) had been produced. A.P. Lerner therefore, comments, "It required very little shifting of the basis of the argument to enable him to lump land and capital together as instruments of producing surplus-value for their owners by means of the exploitation of labour".¹

One should however, not infer that there was no difference in the approach of Karl Marx with other classical writers in the development of the concept of class-conflict. We will see that they differed considerably and how Marx read the idea from them to make his own.

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¹ Lerner, A.P., op.cit., p. 558.
The first and foremost difference is that the classical writers were mainly concerned with the idea of class-harmony. If they saw instances of class-conflict it may be called a flow in their system. Moreover, they were never after the phenomena of class-conflict. They stressed the need to safeguard the interests of the workers but were never prejudiced with the share of the capitalist class. They found that if the increase of population may be checked by the workers themselves the conditions will change and the standard of labourers could be upgraded.

Marx, on the other hand was preoccupied with the phenomena of class conflict and found in it the base of the development of human history. He never condemned it. Here class-conflict is not regarded as an evil but as a dynamic force, the lever of history. By fighting for its right against the ruling class the exploited and oppressed class creates a new historical situation. New rights are wrested from the ruling class, and the whole of society is thereby raised to a new and higher level.

Henryk Grossman writes,

"In this conception class-struggle does not end with the abolition of feudalism by the bourgeoisie, it is also typical of the relations between the bourgeoisie and the working class."

Secondly, the classical economists though discussed the instances of class-conflict, yet were never doubtful about the

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system of capitalism because,

"The orthodox economists accept the capitalist system as part of the eternal order or Nature". ¹

Marx on the other hand,

"regards it as a passing phase in the transition from the feudal economy of the past to the socialist economy of the future". ²

He saw the key to this transition in the concept of class-conflict. According to Marx, the process of history on the road of progress far from becoming increasingly peaceful, increases in violence with the development of capitalism and class conflicts became the decisive instrument in the transition from capitalism to collectivism.

The third and the last is that Marx discussed the idea of class-conflict with a political motive too whereas there was

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2. Ibid., p. 1: Engels also wrote, "Marx was before all else a revolutionary. His real mission in life was to contribute in one way or another, to the overthrow of capitalist society. As Marx himself put it, "The philosophers have interpreted the world in various ways; the point however, is to change it" (Selected Works, 1942, Vol. I, p. 17). Similarly Marx wrote, "For us the issue cannot be the alteration of private property but also its annihilation, not the smoothing over of class antagonism but the abolition of classes, not the improvement of the existing society but the foundation of a new one" Address to the Central Committee to Communist League, Works, Vol. I, p. 102.
nothing like this with the earlier classical economists. Marx saw in the two classes - the bourgeois and proletariat, a fight like that in the battle field where two armies confront each other. He wants the workers to unite and fight with the bourgeoisie. In this connection he never hesitated to use violence and other such methods. Frank H. Knight appears to be correct when he wrote:

"The class-war idea was put forward as a theoretical view of what happens; but the aim, consciously or unconsciously, obviously was to use the theory to make it happen to form a class-war which of course had not previously existed, at least in the desired form and degree, or there would have been no occasion for the propaganda."

The difference of approach can be attributed once again to the different problems with which the earlier economists and Marx were concerned.

A great part of Marx like was devoted to the study of capitalism - the method of production which had succeeded feudalism in Britain and was establishing itself all over the world in the course of the last century. The aim of the study was to discover the 'law of motion' of capitalist society. Capitalism has not always existed, but had grown up gradually; it was not the same in Marx's days as it had been at the time of the industrial revolution in Britain in the latter part of

the eighteen century. The problem was not merely to describe the capitalist method of production of his own time as the earlier classists did, but to make an analysis which would show why and in what direction it was changing. This approach to the question was new. The classical writers took capitalism as it was, described it as it was, and described it as if it was a fixed, eternal system; for Marx, this method of production, like all others in history, was changing. The result of his study was therefore not only a description, but a scientific forecast, because he was able to see the way in which capitalism was in fact developing.

Again, for Marx the analysis which the classical economists have conducted disclosed only half of the problem. As Engels put it in an important passage in his Anti-Dühring, they had shown the positive side of capitalism, in contrast to what had preceded it. In demonstrating the laws of laissez-faire they had provided a critique of previous orders of the society, but they had not provided historical critique of capitalism was to be regarded as a stable and permanent order of nature or an unchanging final term of social development. It remained to be done in order to give capitalism its proper place in historical evolution and to provide a key to the forecast of its future. Economic science to date said Engles,

"begins with the critique of the survivals of feudal forms of production and exchange shows the necessity of their replacement by capitalist forms and develops the laws of the capitalist mode of production and its corresponding forms of exchange in their positive aspects, that is, the aspects in which they further the general aims of society"
Equally necessary was the dialectical completion of Political Economy by,

"a socialist critique of the capitalist mode of production; that is, with the statement of its laws in their mode of production, though its own development, derives towards the point at which it makes itself, impossible."

After tracing the effects of the earlier classical economists on Karl Marx for his theory of class-conflict, their differences in approach, problems of the capitalist mode of production, let us also see whether Marx has contributed something new in his concept of class-conflict.

Marx wrote to J. Weydemeyer on March 5, 1852,

"What I did that was new was to prove:

1 - that the existence of classes is only bound up with particular historical phases in the development of production;

2 - that the class struggle necessarily leads to the dictatorship of the proletariat;

3 - that the dictatorship itself only constitutes the transition to the abolition of classes and the classless society."

Thus, Marx associates the concept of class-conflict with the mode of production. Therefore, with the development in the modes of production automatically brings a change of forms of the class-conflict. It started from the slave system with the

masters and the slaves. The slave mode was replaced by more progressive mode of production - the feudal mode of production. It sharpened the class conflict between the lord and theserf. The feudal system once again transformed into the capitalist mode. The class-struggle reaches to the highest stage between the capitalists and the workers. Lastly capitalism is substituted by socialism. It brought up classless society therefore, class struggle is dead for ever.

The class-struggle has been a cause for bestowing more and more rights and better position to the exploited class. For example, the position of serf is better than the slave. Similarly, the worker has more rights and better position than the serf. He is independent and sells his labour-power to the capitalist. He does not render personal services to the capitalist. Thus the aim of the communists is,

"formation of the proletariat into a class, overthrow of bourgeois supremacy, conquest of political power by the Proletariat".

Lastly, the object of the class-struggle is finally achieved in the creation of a classless society. Abolition of property rights, and the establishment of the collective ownership. Hence there shall be a classless society and there will be no class-conflict.

We now be able to summarise and bind up our work with the following solutions:

We cannot agree with all those who still hold the view that "orthodox economists argue in terms of a harmony of interests between the various sections of the community", because we have already established that the classical economists were also concerned with the classes and their class conflicts. We saw conflict of two proprietor classes in Ricardo and J.S. Mill and a class-conflict between the capitalist and the labourers in the systems of Adam Smith and J.S. Mill. The only exception is Malthus whose system represents complete harmony of interests.

Again, we agree with all those who hold the view, "That Marxism essentially a product of the bourgeois minded", because we have seen that Marx nourished the seed sown by the classicalists and harvested it for his own mission.

Incidently, both of the above findings cover the purpose of this work.

One should also note that due to his revolutionary nature Marx brought a critique of the capitalistic system and exaggerated the actual phenomena of the class-conflict, and in his haste, propagated his system of socialism without considering its own limitations. Therefore, he also committed the same mistake of

2. Schumpeter, Joseph A. "Ten Great Economists "From Marx to Keynes, p. 6."
the classical tradition that his system is eternal and fool
prove. He certainly opened the doors for the critics to
treat his system with the same revenge that he did to the
capitalist system. His materialistic interpretation gave
birth to thousands of Ruskins and Carlyles; and his theory
of class-conflict forced the opponents to reconsider their
faith in the laissez-faire policies.