

# Marx Against Keynes

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## FOREWORD

The papers, arranged chapterwise in this book, represent the scholarly endeavour of Sri Satyendranath Saha, a Marxist intellectual and an educationist, to provide the readers with insightful information and reflections on the evolution of political economy. Political economy is a science that analyses social relations evolving between people in the historical process of production, distribution, exchange and consumption of material production. While the 'pre-history' of political economy lies in Mercantilism, its history, as rightly argued by the author, starts with the classical school of bourgeois thinkers. They laid the foundation of labour theory of value and analysed capitalist reproduction to defend the interests of the just ascending industrial bourgeois in its struggle against feudalism. The classical bourgeois political economy could not, however, rise above the influence of the given time-frame : they failed to understand the historically transient nature of capitalism, since the internal contradiction of capitalism could not develop fully by then. Their method was, therefore, unhistoric. Going against the interpretations of Samuelson and Eric Roll, the author demonstrates with strong arguments how hereinafter bourgeois politico-economic thought degenerated into unscientific and vulgar forms represented by the Neo-classicists and their successors, and how scientific political economy evolved along the Marxian line.

The work highlights how the Marxist Philosophy in general, and the Marxist Political Economy in particular, emerged out of the wider contemporary socio-cultural context—the materialistic scientific discoveries and the materialistic philosophy of Feuerbach combined with the dialectical approach of Hegel. Feuerbach was materialist, but not a dialectician. Hegel was a dialectician, but not a materialist. Marx and Engels bridged the gap between dialectics and materialism, and achieved their unity in a single dialectical-materialist social outlook.

The author takes great pain and gives untiring effort to assess the analytical position of great socio-economic thinkers of the 19th and the 20th centuries relative to marxian political economy, and in the process of this exercise, he establishes that historicity is the unique and exclusive characteristic of the Marxian politico-economic thought that still stands tested—so far history has progressed from primitive communal formation to slave society formation, from the slave to the feudal, to the capitalist and to socialist formation, as enunciated by Marx. Thus Marx along with Engels revealed the objective dialects of social development. Thanks to their contributions—history ceased to be a chaotic conglomeration of unconnected facts as described by the neo-classicists, the Keynesians and their posterity. However, the writer's assessment of Keynes in the Marxian perspective deserves special attention. It is one of appreciation and depreciation at the same time. On the basis of factual reasonings, the writer shows how Keynes came very close to Marx in his essay published in the Yale Review in 1933, but finally became unhistoric in his General Theory.

A special feature of the book is that, rather than being a sequential narrative of political economy, it is a topicwise deliberation on issues relating to important socio-political aspects, each chapter dealing with interesting comparative evaluation of Marxist vis-a-vis non-Marxist views on separate topics, set against the canvas of political economy. The readers will certainly enjoy the tell-tale flavour in the analysis of a serious subject such as this, that flows from the amazingly interesting style of presentation and lucidity of expressions.

After the debacle in the erstwhile Soviet Russia and the East Asian Countries, we now live in the age of neo-classical counter-revolution, the recent trend of vulgar bourgeois political economy. It is manifesting itself in various ugly ways through the instrumentalities of the Fund-Bank-WTO combine coupled with the intellectually dishonest role of the comprador group, comprising a part of the intelligentsia and politicians. The bourgeoisie are constantly beating their drums, declaring 'the end of history'. The author, however, is not dejected at this set-back in the process of historical materialism that he feels temporary. As a Marxist,

he believes that men are unable to abolish the laws of social development or to create new laws thereof, but they are capable of understanding these laws, and being aware of them, are able to intervene actively in the historical process. It is knowledge of objective necessity and its utilisation in the interest of mankind that constitutes human freedom. The author, therefore, rightly nurtures the faith, that people will intervene actively in the on-going historical process to choose between barbarism and human freedom.

I have strong reasons to believe that the book will be of immense benefit to conscientious readers among the general public, social workers, researchers as well as students of all disciplines of Social Science.

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## PREFACE

Disintegration of the Soviet Union, collapse of the Communist regimes in the Eastern Europe, backtracking of the People's Republic of China to capitalism under the post-Maoist leadership with the "Theory of Socialism with Chinese characteristics" don't mean the end of history. Nor do they mean the burial of Marxism. These world-shaking events are comparable with the exhuming of Oliver Cromwell's body from his grave and hanging him publicly or with the restoration of the French Monarchy as per the settlements of the Viena Congress on the end of the Napoleonic wars. But neither of the two events could bring back the old order—Feudalism.

In the mid-nineteenth century the specter of communism only haunted the countries of Europe. But now the same specter has been haunting almost all the countries of all continents. The class of civilizations in the U S A's all-out drive against terror is closely related to the grim fact that her economy is exclusively dependent on the Military-Industrial Complex which has been spending trillions of dollar to prop up war industries and establishments.

John Maynard Keynes is still regarded as the greatest bourgeois economist of the twentieth century. Keynes was an erudite scholar with a keen sense of realism. He could see through the game and had the understanding that capitalism is inherently unstable which causes both hyper inflation and deep depression of which he had a lot of personal experience. But he entertained the fond hope that with state action and socialized investment capitalism could be made tolerable to the working men. In spite of his most uncharitable remarks against Marx, he could realize that it is Marx and Marx alone who understood the nature of capitalism which contains within itself the germs of its own destruction. The book is primarily concerned with the fact that many of the novel ideas and concepts with which Keynes prepared his recipe for the better

functioning of capitalism, were anticipated by Marx. The work has also devoted some space for the explanation of the problem of free choice in the running of the Socialist economy with directive planning.

The writer owes an irredeemable debt to Shri Atul Chandra Banerjee of Murshidabad town, retired eminent Teacher of English, literature and musicologist, who had the misfortune of going through the entire pile of manuscripts, dotting 'I's and cutting 't's. I am grateful to Prof. Pranotosh Sen, Retd. Professor of Krishnath College, Berhampore, Murshidabad who has written the foreword. Equally grateful I am to Prof. Kalyanaksha Ghosh and Saumendra Kumar Gupta of the same college, who made available to me relevant literature. Thanks are also due to Shri Tarit Kumar Bramhachari, Teachers' leader of the State and Shri Promothesh Mukherjee, the Ex-Member of the Parliament, both having a self-imposed responsibility of bringing it out. Thanks are also due to Raju-Hazra of Berhampore, who typed the whole script. My two sons, Subrata and Sudipta, and two daughters-in-law, Nita and Trina exempted me from all hazards of domestic life to provide scope to complete the work. I express my heartfelt thanks to the management and staff of Punascha to publish it promptly. I cannot avoid but deeply appreciate the help rendered by my grandson, Arunava Saha, from his research work in Natural Science.

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## I

### **Marx as the Critic of Political Economy**

Marx's father was a lawyer and he achieved a certain measure of success in his profession. He sent his promising son Karl to the Bonn University for the Study of Jurisprudence. The son studied Jurisprudence, but he subordinated this study to the study of Philosophy and History. Marx also studied Arts and Literature, particularly, of the antique civilization. His course of studies at the University never included Economics or Political Economy. From this point he had actually no formal training in the subject. He ended his student life with the submission of his Doctoral dissertation on the difference between Democritean and Epicurean Philosophy of Nature. During the student days he came into contact with the Young Hegelians. They were disciples of Hegel, but they were not quite satisfied with their Master's political stance of supporting Monarchy. Nor were they favorably disposed to Hegel's Absolute Idea or World Spirit. Coming into contact with them Marx developed a critical attitude for everything existing. A young man with the critical attitude to everything existing had a very rare chance of accommodation in the academic world of the time. His effort to find one went in vain; finally, he was driven to journalism. He chose this life, as it offered a scope to give



vent to his critical bent and it was of a very high order. He became a contributor to the *Rheinische Zeitung*, a liberal organ financed by some moneyed men. Very soon he became the Editor of the journal and during his editorship the circulation of the daily increased substantially. But trouble began to brew. The Oberpraesident of the Rheinische province became very much disturbed at the covering of the proceedings of the Rheinische Land-tag in the daily on the theft of wigs and this ultimately caused Marx's resignation from the post of the editorship of the journal. But the theft in the forests provided him with the first opportunity to investigate the question of private property. As a student of Jurisprudence he knew what property actually meant. But the question was never raised in the vast corpus of philosophical ideas. Neither Idealism nor Materialism ever dealt with the question. History's reference to the question was, at most, marginal. The Property question became very much of importance to him when he edited *Rheinische Zeitung* and it made its appearance in the form of the dispute between the Mosell peasants and their landlords. The Mosell peasants used to collect wigs from forests from times immemorial. It was virtually a natural right of which the proponents of the celebrated Social Contract Theory of the State spoke volumes. The landlords of Marx's time demanded payment for those wigs from the vine-growers. The forests from which wigs used to be collected by the peasants were all natural. The landlords never did anything to maintain those forests. Yet they demanded from the peasants payment for their collection, and the Land-tag of the Province was going to enact a law prohibiting the free collection by the peasants.

This experience led him to investigate property question^ seriously. His course of studies at the University shed no light on the question. He turned his attention to Political Economy to know how it is that the landlords having nothing to do with the forests had been demanding payment for the collection of forest products by the natives. Added to it is the authority's attempt to enact a law in favour of the landlords. It revealed a close relation between the economic interest and State power.

The two interrelated issues impelled him to take the study of

Political Economy. Engels' "Conditions of the working class in England" should be taken into account as the contributory factor to Marx's growing interest in Political Economy." The Economic and Philosophical Manuscripts" were never published in the life time of the authors. Manuscripts were published first in the book form in the thirties of the twentieth century. Manuscripts bore the marks of his study of the works of both Adam Smith and David Ricardo. Though he presented Hegel's philosophy from a very critical point of view, yet he could not free himself completely from philosophic transcendentalism.

In "The Poverty of Philosophy", he not merely severely criticized Proudhon's idea of Credit Bank. He threw a flood of light on Ricardo's socialist followers, Though he dwelt on the problem of alienation in the manuscripts, it was radically different from the conceptions of both Hegel and Feuerbach. It will be quite erroneous, if anybody concludes that his idea of alienation of labour in the Manuscripts was something different from his concept of exploitation as developed in his mature interpretation of his later days.

The very idea of alienation of wage labour contains a criticism of the capitalist system in unambiguous terms. He was as good as any of Ricardo's socialist critics in the forties. There is nothing wrong in attributing his criticism of the capitalist commodity production to theoretical trend of classical Political Economy which found its highest manifestation in Ricardo's "Principles of Political Economy and Taxation".

Marx was different from the socialist critics of Ricardianism particularly in the sense that he wanted to transform the capitalist Social System and dedicated himself to the cause of communist revolution. Ricardo's socialist critics were not political activists. But Marx was a political activist. Political Economy was a weapon to him and he never tried to camouflage it. This honesty is rare. Contrast it with the observation made by Paul Samuelson in his voluminous "Economics".

"And peculiarity in the social sciences, we must realize that we are subjects, even victims of our preoccupations, prejudices, sentiments and sordid interests". The plain meaning of the observation is the ineradicability of subjectivism in Social



Sciences. Just after the observation Samuelson quoted Marx's Thesis XI on Feuerbach :

A social critic can't but strive to change the existing society in order to establish a new one. But the social change does not come about out of the good wishes of the critic. Social change follows social law, law of the development of society, law of the motion of society. What is needed is the understating of this law. He who knows and understands this law, frees himself and becomes a scientist in the truest sense of the term. He ceases to become a victim of his prejudices. But to Samuelson one can't but be a victim of prejudices in the field of Social Sciences. He who fails to overcome this prejudice can be anything but a scientist, Subjectivity, in Social Science is objectively determined. Samuelson's above-quoted observation demonstrates that he has not achieved this freedom from his prejudices, sentiments and sordid interests. This point deserves special significance in the context of Samuelson's admission that the Materialistic Interpretation of History is a great achievement to mankind.

Let us proceed again with our business Marx showed his acquaintance with Classical Political Economy in "The Poverty of Philosophy". The next year saw the "Communist Manifesto" and Marx was one of the two authors of the historical Manifesto. His career as a political activist was indistinguishable from his investigation in Political Economy from the day of the publication of the Manifesto. His manuscripts in 1857-58 led him to publish "A Contribution to the Critique of Political Economy" in 1859. It was the first part of his investigation and in the opinion of Prof. Maurice Dobb, the well-known economist, this contribution was 'Overture of what was to come'. What came was a huge pile of manuscripts written in 1961-63, and the first volume of the manuscripts was published in 1867 with the title "Capital". But it carries a sub-title 'A Critique of Political Economy'. It was not a Text book of Economics. It was a critique; Marx did not like to emerge as an Economist.

One should not forget that Marx was a revolutionary. He was in search of an ideology based on Science. An ideology is invariably a class ideology. With an ideology a class justifies its social existence and claim. Classical Political Economy was not

an ideology. It was a science. But the capitalist class developed an ideology with Political Economy as its basis. Marx's critique of Political Economy was the basis of the ideology of the working class, the wage slaves, who sell their labour power to the capitalist employers.

In his life time he could bring out only the Volume-I of 'Capital'. His friend Frederick Engels brought out Volume II and Volume III by editing the manuscripts he had left and the Volume IV was brought out by Karl Kautsky, the theoretician of the German Social Democratic Party, in 1905-10 with the title. 'Theories of Surplus Value' in three parts.

Another work of Marx deserves special consideration. Two strands of the Working class movement of Germany merged at Gotha and the Unity conference produced a programme about the running of the future communist society. Marx subjected the Programme to the critical examination and this critical examination was entitled the 'Critique of Gotha Programme'. It sheds a flood of light on the working of the future society of the free and associated labour.