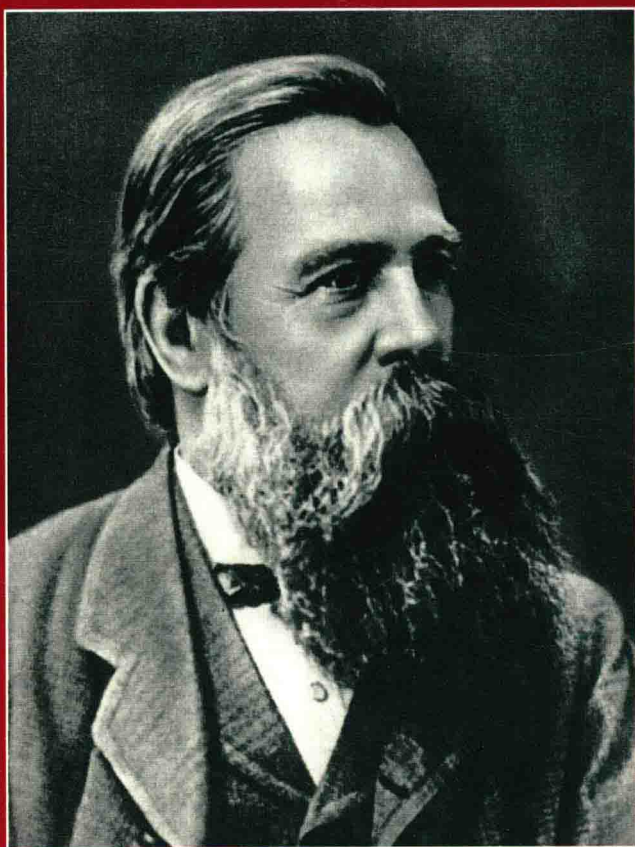


# Friedrich Engels and Marxian Political Economy



Samuel Hollander

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SAMUEL HOLLANDER

University of Toronto, Canada



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## FRIEDRICH ENGELS AND MARXIAN POLITICAL ECONOMY

This book rejects the commonly encountered perception of Friedrich Engels as perpetrator of a “tragic deception” of Marx, and the equally persistent body of opinion treating him as “his master’s voice.” Engels’s claim to recognition is reinforced by an exceptional contribution in the 1840s to the very foundations of the Marxian enterprise, a contribution entailing not only the “vision” but some of the building blocks in the working out of that vision. Subsequently, he proved himself to be a sophisticated interpreter of the doctrine of historical materialism and an important contributor in his own right. This volume serves as a companion to Samuel Hollander’s *The Economics of Karl Marx* (Cambridge University Press, 2008).

Samuel Hollander is University Professor Emeritus at the University of Toronto, Canada, where he served on the faculty from 1963 to 1998. An Officer of the Order of Canada and a Fellow of the Royal Society of Canada, Professor Hollander holds an honorary Doctorate of Law from McMaster University, Ontario, Canada, and was a Research Director at the Centre National de la Recherche Scientifique of France from 1999 to 2000. His major books have been devoted to studies of Adam Smith, David Ricardo, John Stuart Mill, Thomas Robert Malthus, Jean-Baptiste Say, and Karl Marx.

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*To the memory of*  
*Laurence S. Moss*  
*1944–2009*

“Without you, I would never had been able to bring the work to a conclusion, and I can assure you it always weighed like a nightmare on my conscience that you were allowing your fine energies to be squandered and to rust in commerce, chiefly for my sake, and, into the bargain, that you had to share all my *petites misères*.”

(Marx to Engels, 7 May 1867; MECW 42: 371)

“Even Engels was not right about everything. It wouldn’t be a bad thing if we could implicate Engels somewhere in Bukharin’s writing.”

(Stalin, cited in Bullock 1993: 402)

## Preface

This book is a companion to my *The Economics of Karl Marx (EKM)* published by Cambridge University Press in 2008. My objective is to contribute toward the better appreciation of the contribution to Marxian political economy made by Friedrich Engels. His positions on history and on the natural sciences are taken into account, but only insofar as they pertain to the primary theme. No consideration is accorded Engels as journalist or student of anthropology, law, literature, religion, sociology, linguistics, and military affairs. In Chapter Six I touch on matters of personality when I review Engels's relationship with Marx; in other contexts his business experience proves pertinent. Biography is certainly important, but I shall not provide a detailed account of Engels's life, because we are well served already, as by Carver, Henderson, Hunley, McLellan, Mayer, Riazanov, and, most recently, Hunt. Nonetheless, a brief chronology of select events pertaining to Engels to which I refer in the text and notes may prove helpful to readers, more helpful I think than a nominal potted life. This I provide in an Appendix to the Prolegomena.

Chapter One is devoted to Engels's early contributions to economics, before Marx had assembled his technical apparatus. Here I fulfill a promise made at the close of *EKM* to justify the contention that Engels provided the "vision" and entered into several of the processes at play in the working out of that vision (Hollander 2008: 488).

Two chapters deal with the complex issue of "revisionism." The first, on constitutional reform (Chapter Four), allows equal billing to Marx because this theme was left in abeyance in *EKM*. The second, on welfare reform within capitalism (Chapter Five), elaborates the account in *EKM*, taking particular notice of Engels's recognition in the last decade of his life – after Marx had passed from the scene – of ongoing structural changes in the British economy, and the implications to be drawn for the transition to communism.

I take this opportunity to thank attendees at several recent conference presentations for helpful comments on aspects of my Engels research: "Making the Most of Anomaly in the History of Economic Thought: Smith, Marx–Engels, and Keynes," Thomas Guggenheim Program in the History of Economic Thought, First



Bi-annual Symposium, Ben-Gurion University, Beer Sheba, Israel, 14 July 2009; “Engels and Marx on Economic Organization, Income Distribution, and the Price Mechanism,” Halsworth Foundation Lecture, 41st Annual History of Economic Thought Conference (U.K.), University of Manchester, 2 September 2009; and “Understanding Engels (and Marx) and Adam Smith on Economic Organization and the Price Mechanism,” The Heritage Foundation (Washington) and the Center for Political and Economic Thought, Saint Vincent College, La Trobe, Pennsylvania, USA, 2 November 2009.

I am greatly obliged to Professor John King and Professor Michael Perelman. This book has without question been much improved as a result of their advice and criticism, but I insist on taking full responsibility for the final outcome. A paper by Dr. Alain Alcouffe and Dr. Julian Wells entitled “Marx, Mathematics, and Mega 2,” read at the aforementioned Manchester conference, proved most helpful to me when I composed Chapter Seven. It is a pleasure to acknowledge a profound debt to Haim Chertok – to my good fortune newly resident in Arad – for his efforts to improve the style of my manuscript and, more generally, for providing a little humor with which to confront the permanently (so it seems to me) unhappy state of this part of the world. Once again, I am pleased to express my appreciation to the Inter-Library Loan Department of the Aranne Library, Ben-Gurion University of the Negev, Beer Sheba, for its efficient and obliging service and to the Department of Economics for financial support in this regard. Thanks are also due to my granddaughter Jasmine Adi Hollander for library and computer assistance.

For permission to draw in Chapters Three and Seven on my article of 2004 “Economic Organization, Distribution and the Equality Issue: The Marx–Engels Perspective,” *Review of Austrian Economics* 17: 5–39, I am obliged to Springer Publishing. A version of Chapter Four, entitled “Marx and Engels on Constitutional Reform vs. Revolution,” appears in *Theoria: A Journal of Social and Political Theory*, Issue 122, 2010. I thank Berghahn Books New York for permission to make use of this article in the present work, and Professor David Reisman for his comments on that article.

I have been concerned in working on Engels with the “big” issues. However, there is much pleasure and benefit to be derived, I have found, from his wise observations regarding events of the day that often have immediate relevance for our own problems. Two favorites come to mind, one regarding a plan to sell the shares of insolvent banks to the state (1880, “The Socialism of Mr. Bismarck”; MECW 24: 277–80), and a second regarding problems of parliamentary democracy (1891, “Introduction to Karl Marx, *The Civil War in France*”; MECW 27: 189).

Arad, Israel  
28 February 2011

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## Prolegomena

### A. Some Ground Clearing

Gareth Stedman Jones refers to the “one-sidedness of most modern treatments of Engels.... For, from at least the end of World War I, assessment of Engels’s particular contribution to Marxism had become a highly charged political question. After a period of unrivalled prestige, between the 1880s and 1914, Engels’s reputation suffered first in the revolutionary leftish critique of the failings of the Second International and subsequently in the non-communist or anti-communist critique of the excesses of the Third” (1982: 290–1). Kircz and Löwy have phrased the state of affairs with felicity:

Too often we have seen attempts to create a kind of Holy Duality with semi-religious connotations. This type of hagiography, typical of the tradition of the Second and especially the Third International, not only hampers the proper understanding of the dynamics and historical role of the two friends, but also blocks the continuation and expansion of the program they started. As a reaction to this attitude we also encounter numerous attempts to artificially separate the two men, mostly with the objective of promoting Marx to the position of universal (and therefore politically neutralized) thinker and to degrade Engels to the position of an operationalist schema-builder and moral founder of social-democratic degeneration and the Stalinist nightmare. (1998: 5)

Hunt laments that “in certain ideological circles [Engels] has been landed with responsibility for the terrible excesses of twentieth-century Marxism-Leninism. For as Marx’s stock has risen, so Engels’s has fallen. Increasingly, the trend has been to separate off an ethical, humanist Karl Marx from a mechanical, scientific Engels, and blame the latter for sanctifying the state crimes of communist Russia, China and south-east Asia” (2009: 5).

Beyond all this there is the frequently encountered condemnation of Engels as “revisionist” traitor to the cause, and also the suggestion that Engels (in the terms of Steger and Carver in their account of the state of play) “in his later writings – either mistakenly or intentionally – embarke[d] on a substantial reinterpretation of Marx’s work, thereby significantly departing from the latter’s intellectual

venture" (1999: 6). Publication of the original manuscripts relating to *Capital* in the *Karl Marx–Friedrich Engels Gesamtausgabe* (MEGA) edition has exacerbated matters by suggesting to some that Engels's editorial work on the last two volumes is unreliable (see Chapter Six, p. 308), which charge – if proven justified – would render the present work, based as it is on the *Marx–Engels Collected Works* (MECW), correspondingly suspect.<sup>1</sup> Further muddying the waters is what has been termed "the current fashion of Engels-baiting, which normally rests upon an exaggeration of Marx's Hegelian background, and vulgarization of Engels" (Duncan 1973: ix).

Against the assertion of a divorce between Marx and Engels, for one reason or another, stands an equally persistent body of opinion treating Engels merely as His Master's Voice (see below, p. 22). It will be a main objective of this work to seek a path between these extremes. Before proceeding to a review of the essays, though, let us briefly survey the first contacts between Engels and Marx and the course of their respective transformations into "communists."

Engels first mentions Marx in print in November 1843. In his article "Progress of Social Reform on the Continent" for *The New Moral World*, he writes that "[a]s early as autumn, 1842, some of the party" – referring to the so-called Young or New Hegelians, and apparently including himself in the number – "contended for the insufficiency of political change, and declared their opinion to be, that a *Social* revolution based upon common, property, was the only state of mankind agreeing with their abstract principles..." (MECW 3: 406). Although this trend did not yet include the party leaders (Bauer, Feuerbach, and Ruge), nonetheless "[c]ommunism... was such a *necessary* consequence of New Hegelian philosophy, that no opposition could keep it down, and, in the course of this present year [1843], the originators of it had the satisfaction of seeing one republican after the other join their ranks. Besides Dr. [Moses] Hess, one of the editors of the now suppressed *Rhenish Gazette* [*Rheinische Zeitung*], and who was, in fact, the first Communist of the party, there are now a great many others" – including "Dr. Marx, another of the editors of the *Rhenish Gazette*."<sup>2</sup> As for Hegel himself, he had been

<sup>1</sup> The charge goes back a long way, Kautsky alluding in 1926 to "[c]onjectures" that "Engels had not always completely caught Marx's train of thought and had not always arranged and edited the manuscript in accordance with the this train of thought," though adding that had he undertaken the "gigantic" editorial task, as some had advised, "and that I came to another result than Engels on one or another point," there would be "no guarantee that my version was truer to Marx's train of thought than was Engels" (cited in Vollgraf and Jungnickel 2002 [1994]: 39).

<sup>2</sup> On the Young Hegelians, see Mayer (1969 [1936]: 18–24), McLellan (1973: 30–3, 34–40), Stedman Jones (2002: 74–98), and Hunt (2009: 54–60). What Engels intended by the New Hegelian philosophy is not here spelled out, but presumably it includes the principle – said to reflect an evolution from Hegel's philosophy – that "[a]ll the basic principles of Christianity, and even of what has hitherto been called religion itself, have fallen before the inexorable criticism of reason" (1842; "Schelling and Revelation," MECW 2: 197).

On the significance of Engels's first encounter with Hess, in summer 1844, see Stedman Jones (2002: 55–7).

“so much occupied with abstract questions, that he neglected to free himself from the prejudices of his age – an age of restoration for old systems of government and religion” (404), while adding that “the philosophical efforts of the German nation, from Kant to Hegel . . . must end in Communism” (406).<sup>3</sup>

Hobsbawm makes the point that Marx and Engels “were relative late-comers to communism,” considering that “by the early 1840s a flourishing socialist and communist movement, both theoretical and practical, had existed for some time in France, Britain and the USA” (1982a: 1). The impression we have from Engels’s account is that Marx turned to communism, independently of (and a little later than) Engels himself, sometime in 1843, possibly – this, however, is not stated explicitly – in consequence of Young Hegelian influence.<sup>4</sup> Now, according to Engels’s retrospect half a century later, the first encounter between Engels and Marx – in the Cologne offices of the *Rheinische Zeitung*, in November 1842 – was a “chilly” one, for Marx had very recently “taken a stand against the Bauers, i.e., he had said he was opposed not only to the *Rheinische Zeitung* becoming predominantly a vehicle for *theological* propaganda, atheism, etc., rather than for political discussion and

<sup>3</sup> What is implied here is not properly explained, but most pertinent is a retrospective account provided decades later “of the true significance and revolutionary character of Hegelian philosophy . . . the termination of the whole movement since Kant,” namely “that it once and for all dealt the death blow to the final products of human thought and action”; for

all successive historical states are only transitory stages in the endless course of development of human society from the lower to the higher. Each stage is necessary, and therefore justified for the time and conditions to which it owes its origin. But in the face of new, higher conditions which gradually develop in its own womb, it loses its validity and justification. It must give way to a higher stage, which will also in its turn decay and perish. Just as the bourgeoisie by large-scale industry, competition and the world market dissolves in practice all stable time-honoured institutions, so this dialectical philosophy dissolves all conceptions of final, absolute truth and of absolute states of humanity corresponding to it. Against it [dialectical philosophy] nothing is final, absolute, sacred. It reveals the transitory character of everything and in everything; nothing can endure against it except the uninterrupted process of becoming and passing away, of ascending without end from the lower to the higher. (1888; *Ludwig Feuerbach and the End of Classical German Philosophy*, MECW 26: 359–60)

Similarly, in *Socialism: Utopian and Scientific* (1892 [1880]: MECW 24: 302).

In the manuscript *Dialectics of Nature* (1873–82), Engels reduces to three the laws of dialectics, all traced to Hegel: “The law of the transformation of quantity into quality, and vice versa; The law of the interpenetration of opposites; The law of the negation of the negation” (MECW 25: 356). The objection to Hegel is that “these laws are foisted on nature and history as laws of thought, and not deduced from them. This is the source of the whole forced and often outrageous treatment; the universe, willy-nilly, has to conform to a system of thought which itself is only the product of a definite stage of development of human thought. If we turn the thing around, then everything becomes simple, and the dialectical laws that look so extremely mysterious in idealist philosophy at once become simple and clear as noonday.”

<sup>4</sup> Marx’s original commitment to the proletarian cause is reflected in “Contribution to the Critique of Hegel’s *Philosophy of Law*,” written late 1843 to January 1844 and published in the *Deutsch-Französische Jahrbücher* in 1844. That his new position was ultimately based on Hegel’s philosophy has been denied, “however much his language may be that of Young Hegelian journalism” (McLellan 1973: 96–7).

action, but also to Edgar Bauer's hot air brand of communism, which was based on a sheer love of 'going to extremes' and was soon replaced by Edgar with other kinds of extremist hot air. Since I corresponded with the Bauers, I was regarded as their ally, whereas they caused me to view Marx with suspicion" (to Mehring, April 1895; see "Correspondence," MECW 50: 503). One is given to understand that the difference between Engels and Marx had been based on a misunderstanding, because Engels had already abandoned what has been termed "the bohemian anti-Christian excesses" characterizing the club known as the *Freien* (the free) and had turned away from Edgar Bauer's "frequent denunciations of the politics of a *juste milieu*" or liberal political compromise (Stedman Jones 1982: 302; 2002: 55, 140; also McLellan 1973: 51; Hunt 2009: 57–60).

As for Marx's actual position on communism at this time, Engels says only that he opposed the "hot air" brand and sought to discuss practical politics. In fact, Marx, partly under the influence of German immigrant workers living in Paris, where he had arrived in October 1843, was himself in the process of converting to communism (McLellan 1973: 86–7; Hobsbawm 1982a; Stedman Jones 2002: 145–76). Thus, though as late as October to November 1843, when Engels composed the *Outlines*, he still belonged in Marx's eyes to "la gauche hégélienne," from which he had broken away on ideological grounds (Bottigelli 1969: xx), he would have become aware of Engels's actual position from the manuscript that he published in his new (short-lived) journal, the *Deutsch-Französische Jahrbücher* early in 1844. When in September Marx and Engels met again, there was ample common ground for the commencement of their collaboration (see Hunt 2009: 120).

The notion of a Marx imbued with Hegelianism to a greater degree than Engels does not ring true. We have seen, in the first place, that at the outset in 1842–3 Engels traced his own adoption of the communist option to Young Hegelian influence – and possibly attributed the same transition process to Marx. Now the following year, it is true, Engels focuses on aspects of Hegelianism that he had come to oppose, insisting that "'Man' will always remain a wraith so long as his basis is not empirical man. In short we must take our departure from empiricism and materialism if our concepts, and notably our 'man,' are to be something real; we must deduce the general from the particular, not from itself, or *à la* Hegel, from thin air" (to Marx, 19 November 1844; see "Correspondence," MECW 38: 12).<sup>5</sup> This letter to Marx suggests that the initiative derived from Engels; in any event, that Marx did not dispute this critical perspective is apparent from the joint critique of Hegel's idealist philosophy in *The Holy Family* – written September to November 1844 – with its striking reference to "the cage of the Hegelian way of viewing things," and applause for Feuerbach's recognition that "*History* does *nothing*, it 'possesses *no* immense wealth,' it 'wages *no* battles.' It is *man*, real, living man who does all that,

<sup>5</sup> See also "A Fragment of Fourier's on Trade" (written in the second half of 1845), referring with approval to Fourier's "great hatred of philosophy," and criticizing Hegel's theory that "arranges past history according to its liking," and (yet more strongly) the Post-Hegelian "speculative constructions . . . [that] no longer make any sense at all" (MECW 4: 641–2).



who possesses and fights; 'history' is not, as it were, a person apart, using man as a means to achieve *its own* aims; history is *nothing but* the activity of man pursuing his aims" (1845; MECW 4: 92–3). In the same vein, the joint *The German Ideology*, in spelling out the premises of the materialist conception of history, refers to "real individuals, their activity and the material conditions of their life . . . premises [which] can thus be verified in a purely empirical way" (1845–6; MECW 5: 31). Furthermore, Marx himself refers to Proudhon's inability "to follow the real course of history," and his creation of a "dialectical phantasmagoria . . . [a] nebulous realm of the imagination [which] soars above time and place. In a word, it is Hegelian trash, it is not history" (28 December 1846; see "Correspondence," MECW 38: 97).

Engels, in the final resort, found an honorable place for Hegel's historical perspective in general, as will be apparent from the extract given in note 3 from *Ludwig Feuerbach*. Indicative too is the defense made in *Anti-Dühring* (1894) of the most celebrated of propositions in *Capital*, whereby the "monopoly of capital becomes a fetter upon the mode of production, which has sprung up and flourished along with, and under it. Centralisation of the means of production and socialisation of labour at last reach a point where they become incompatible with their capitalist integument. This integument is burst asunder. The knell of capitalist private property sounds. The expropriators are expropriated" (MECW 35: 750, cited in MECW 25: 123–4). To be noted, in particular, is Engels's insistence that Marx does not actually base himself directly on dialectical reasoning as Dühring mistakenly believed, but rather "shows from history . . . that just as formerly petty industry by its very development necessarily created the conditions of its own annihilation, i.e., of the expropriation of the small proprietors, so now the capitalist mode of production has likewise created the material conditions from which it must perish" (124). The process as such is thus a historical one. But it is "at the same time a dialectical process . . .," for "after Marx has completed his proof on the basis of historical and economic facts," he proceeds to restate the process in Hegelian or dialectic terms: "The capitalist mode of appropriation, the result of the capitalist mode of production, produces capitalist private property. This is the first negation of individual private property, as founded on the labour of the proprietor. But capitalist production begets, with the inexorability of a law of Nature, its own negation. It is the negation of negation. This does not re-establish private property for the producer [laborer], but gives him individual property based on the acquisitions of the capitalist era: i.e., on co-operation and the possession in common of the land and the means of production" (MECW 35: 751).

That Engels accurately represented Marx's position is confirmed by Marx himself when protesting a review of *Capital* by Dühring: "he practises deception. . . . He knows full well that my method of exposition is *not* Hegelian, since I am a materialist, and Hegel an idealist. Hegel's dialectic is the basic form of all dialectic, but only *after* being stripped of its mystical form, and it is precisely this which distinguishes *my* method" (to Kugelman, 6 March 1868; see "Correspondence," MECW 42: 544).