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What is Socialism? By SCOTSBURN. (London: Isbister. 1898. Pp. 430, 8vo.)

IN reading such a work as this, one realises how much drier discussions, economic and otherwise, have become since invective has gone out of fashion. Nearly every page of this work is enlivened by an attack on Socialists or on some particular Socialist. The following passage is a good example of the style:—

“Everything we regard as vicious and pernicious, Socialists consider as moral and beneficial. What we call vice they call virtue; our highest virtue, patriotism, is denounced and stigmatised; their highest virtue is to jeer at, to slander, to belittle, and to betray their country, if their own Socialist interests demand it. What we call tyranny they call freedom, and our freedom they denounce as tyranny; what we call murder, they call justice; theft they call honesty, and honesty theft. . . . duty is the vice of vices altogether to be abolished.”

The chapters devoted to a criticism of Marx's law of value end thus—

“Marx, nothing but Marx, diluted Marx, disguised Marx, Marx everywhere; the zenith of the Socialist heavens is in Marx, its nadir is in the masses, the masses stirred by the prodding demagogue, in ‘the wolves, the wolves, you know,’ and the greatness of the future of England may be gauged by the greatness of the wolfish nature and of the doctrines of Marx.” On another page the Socialists are tigers. All this is amusing, but perhaps hardly edifying from the economic point of view. The author solemnly quotes Professor Flint in condemnation of Marx: “Passion is a bad counsellor. And the soul of Marx was filled with passion; with party hate; with personal animosities; and with revolutionary ambition;” without apparently realizing that his own work is open to the same criticism. F. M. BUTLIN

Karl Marx and the Close of his System: A Criticism. By EUGEN V. BÖHM-BAWERK, Austrian Minister of Finance, and Honorary Professor of Political Economy in the University of Vienna. Translated by Alice M. Macdonald. With a Preface by James Bonar, M.A., LL.D. (London: Fisher Unwin. 1898. Pp. 221, 8vo.)

WHEN Professor Böhm-Bawerk in his *Kapital und Kapitalzins* criticised Marx's theory of value, only the first volume of *Das Kapital* had been published. Marx had promised to explain, in a later volume, the seeming contradiction between his theory of surplus value, and the rate of profits as it actually exists. “This promise,” Professor Böhm-Bawerk wrote, “could not be kept.” The promise, however, was kept, when, in 1893, Engels brought out the third volume of *Das Kapital*, and in the present work Professor Böhm-Bawerk criticises the result. He points out, as Professor Loria pointed out

some years ago, that Marx has only succeeded in bringing his theory into apparent harmony with facts by sacrificing the meaning which he had originally attached to the word value. As a result the theory of value, as it is stated in the first volume of *Das Kapital*, is contradicted by the theory of profits in the third volume. Marx sets out to prove, in the first volume, that "value is based upon labour, and labour alone"; that profits are derived from the value of the labourer's work during the time which he is forced to spend in the service of his employer, over and above the time, for the value of which he receives an equivalent in wages. According to this theory profits can only be derived from capital which is spent on wages; capital which is represented by machinery, &c., can yield no profit. Marx acknowledged that his theory at this point came into apparent conflict with facts, but his aim was to show, in the third volume, that the conflict was only apparent. Surplus value remains, he asserted, the only source of profits, but this surplus value is, by reason of competition of capitalists, distributed as profits over the whole of the capital, not only over that portion of it which is devoted to wages, and to which it owes its existence. In the process by which this is brought about some commodities are sold under their value and some above it. And the actual exchange relation of the separate commodities is no longer determined by their values, but by their prices of production, or, as Marx likes to put it, "the values change into prices of production." In the following passage Professor Böhm-Bawerk sums up the relation in which, from his point of view, this doctrine of the third volume stands to the celebrated law of the first volume:—

"In the first volume it was maintained, with the greatest emphasis that all value is based on labour and labour alone, and that values of commodities were in proportion to the working time necessary for their production. These propositions were deduced and distilled directly and exclusively from the exchange relations of commodities in which they were 'immanent.' We were directed to start from the exchange value, and exchange relation of commodities, in order to come upon the track of the value concealed in them. The value was declared to be 'the common factor which appears in the exchange relation of commodities.' We were told, in the form and with the emphasis of a stringently syllogistic conclusion allowing of no exception, that to set down two commodities as equivalents in exchange, implied that 'a common factor of the same magnitude' existed in both to which each of the two 'must be reducible.' Apart, therefore, from temporary and occasional variations, which appear to be a breach of the law of exchange of commodities, commodities which embody the same amount of labour *must* on principle, in the long run, exchange for each other. And now in the third volume we are told briefly and drily that what, according to the teaching of the first volume *must* be, is not and never can be; that individual commodities do and must exchange for each other in a proportion different from that of the labour incorporated

in them, and this not accidentally and temporarily, but of necessity and permanently."

Professor Böhm-Bawerk does not confine his criticism to the close of Marx's system and its effect on the earlier theories. The unsatisfactory character of the third volume has been very generally acknowledged, while it is not sufficient in itself to condemn the whole system. The contradiction might have been accidental. Dr. Bonar describes this essay in the preface as "one of those rare critical estimates that kindle light when they seem to be merely quenching it," it is as a critical estimate of the whole of Marx's system that the book is valuable. It is not difficult to show that the theory of value when completed is not consistent with facts or with other, perhaps better-tested, theories; but to show where the theory is true and where the error has crept in, where the premises are in fault and where the deductions, where the arguments are logical and where illogical, where the theory is consistent with facts and where inconsistent, requires a firm grasp of a very slippery subject. Werner Gombart's defence of the theory of value is a striking example of the various ways in which Marx's theories may be interpreted. As quoted in the last chapter of this book, he asserts that the Marxian law of values "is not exhibited in the exchange relation of capitalistically produced commodities. . . . If we want to sum up the characteristics of Marx's value, we would say, his value is a fact not of experience but of thought." A little further on there is a quotation from the writings of another follower of Marx:—"The law of value is not a law of our thought merely, the law of value is a law of a very real nature; it is a law of human action." Professor Böhm-Bawerk meets these defenders each on his own ground. He does not put forward the theory of value with which his own name is connected, but he points out that had Marx subjected his theory to either the psychological or the empirical test its defects would have been evident. Yet Marx was aware of both these methods, and used them when it suited his purpose. While Professor Böhm-Bawerk believes that "Marx was truly and honestly convinced of the truth of his thesis," he adds that, in his opinion, "it is impossible that this dialectical hocus-pocus constituted the ground and source of Marx's own convictions. . . . The grounds of his conviction are not those which he gives in his system; they were in reality opinions rather than thought-out conclusions." From this point of view, Marx as a recognised master of logic and the author of a most illogical theory, and as a sincere believer in theories which he could only render plausible by "trickery of dialectics," becomes intelligible. Marx did not set out to find the true law of value, but having, as he thought, found it, he set out to convince others of the truth of this law—on the acceptance of which he thought so much depended—by logical arguments where possible, and when these failed by "dialectic tricks."

The book has been well translated. Those who have already read "Das Kapital" will be able to appreciate the author's concise summary

of the arguments and theories contained in it, while future students of that work are likely to find their interest stimulated by this brilliant "critical estimate."

F. M. BUTLIN

Die Sociale Frage im Lichte der Philosophie. By DR. LUDWIG STEIN. (Stuttgart: 1897.)

ALTHOUGH Dr. Stein opens with a passing assent to the commonplace that "there is not a Social Question but Social Questions;" his lengthy volume presents the most convincing refutation of this sophism that has yet appeared. The author is fully conscious of the grave difficulties which have, in almost all countries, beset the rising science of Sociology, and the still graver difficulties which beset the application of such a science to the current problems of political and economic life, and the sense of strife sometimes induces over-emphasis and needless reiteration of crucial points. These, however, are trifling defects, in part attributable to the lecture-form retained throughout the volume; they do not seriously impair the sanity of judgment and the perspicuity of statement which are chief merits of Dr. Stein's important work.

The central purpose of the volume is to establish firmly the legitimacy and the importance of Sociology as distinguished from its tributary studies by proving and illustrating its competence to furnish the laws of an art of society needed to comprehend and to confront the Social Question. The common severance of the science from the art disappears in face of the formal statement of his subject matter. "Under what conditions must individuals and social groups, economically and intellectually advanced, so work and live together, that the social organisation may obtain an equipoise most satisfactory to all its members," (14) or more briefly it is "the forms and conditions of human life and work in a community" (29) that form the essence of the Social Question.

A preliminary survey of the ground contains a powerful pleading for a "philosophic" basis, and discusses the recent developments of scientific method in handling causation in social phenomena. An interesting account is rendered of the opposition that "Sociology," which Dr. Stein identifies with social philosophy, has encountered among the different European nations in its endeavour to assert its individuality. Its scant recognition and still scantier progress as a science in England since Mr. Spencer introduced it, receives notice, though Dr. Stein does not trace this neglect to its proper causes, a premature and excessive specialisation of the sciences relating to the growth of social institutions, and that craving for exactitude which by giving undue weight to quantitative estimates has impeded the recognition of the need of an organic science of society.

In the opening chapters some space is needlessly consumed by