

The *Grundrisse* (The 1857-58 Manuscript)

Bastiat and Carey

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This short text, which Marx apparently wrote in July 1857,¹ is titled (by Marx) “Bastiat. Harmonies Économiques. 2^e édit. Paris. 1851.” The reference is to the book (*Harmonies Économiques*) by the French liberal economist and ardent supporter of free trade and *laissez-faire* Frédéric Bastiat (1850-1851).²

“The history of political economy,” Marx tells us, “begins at the end of the seventeenth century, with Petty and Boisguillebert,”³ and ends, at the beginning of the eighteenth, “with Ricardo and Sismondi.”⁴ (Marx 1973) Subsequent economic literature in its main part either ends up as

¹ According to MEGA 2006, 11*. The fact that this text appears to have been the first part of that Manuscript that Marx wrote is why I am dealing with it here first, even though it actually appears at the end of the Penguin edition of the 1857-58 Manuscript.

² Bastiat was a minor economist, whose greatest claim to fame is perhaps the introduction of the notion of “opportunity cost” (even if the term itself came from the Austrian Friedrich von Wieser and his idea of “*Alternativkosten*” or “*Opportunitätskosten*”) through his “parable of the broken window”, which appears in his 1850 essay “Ce qu’on voit et ce qu’on ne voit pas” (“What is seen and what is not seen”). Bastiat argued that, although the cost of repairing a broken window might be seen as a stimulus to economic activity, in fact the money spent in this way should rather be seen as *deduction* from that fund that could be directed towards more useful ends. Money spent on repairing a window is money *not* spent on something else.

³ William Petty (1623-1687) and Pierre le Pesant, Sieur de Boisguillebert (or Boisguillebert) (1645-1714). Marx would praise Petty for his “recognition of labour as the source of material wealth” (Marx 1987, p. 294); noting that Boisguillebert also understood labour-time as the measure of commodities (Marx 1987, p. 295), he favourably compared him with Petty like this: “[...] whereas Petty was just a frivolous, grasping, unprincipled adventurer, Boisguillebert, although he was one of the *intendants* of Louis XIV, stood up for the interests of the oppressed classes with both great intellectual force and courage.” (Marx 1987, p. 295n)

⁴ David Ricardo (1772-1823) was considered by Marx as the pinnacle of “scientific” political economy; Jean Charles Léonard de Sismondi (1773-1842) was the first political economist to understand the existence of economic cycles as endogenous to economic reproduction. In the *Communist Manifesto*, Marx and Engels characterised Sismondi as the intellectual “head” of the “school” of “petty-bourgeois socialism” (a “school of Socialism [which] dissected with great acuteness the contradictions in the conditions of modern production”), “not only in France but also in England.” (Marx and Engels 1976, p. 509)

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“eclectic, syncretistic compendia” (Marx cites John Stuart Mill⁵ as an example), or as “deeper elaboration of individual branches, such as e.g. Tooke’s *History of Prices* [...]”⁶ (Marx 1973, p. 883)

Standing out (Marx tells us) as “exceptions” among the more recent economic literature are the contributions of Bastiat, and of Henry Charles Carey.⁷ Despite the obvious superficial differences between the *laissez-faire* supporting Bastiat and the protectionist Carey, both stand as defenders of the notion of economic “harmony”. Both, in addition, share in common the view that “the antithesis to political economy—namely socialism and communism—finds its theoretical presupposition in the works of classical political economy itself, especially in Ricardo, who must be regarded as its complete and final expression.”; both, as a consequence, “find it necessary to attack, as a misunderstanding, the theoretical expression which the bourgeois economy has achieved historically in modern economics, and to demonstrate the harmony of the relations of production at the points where the classical economists naively described this antagonism.” (Marx 1973, p. 884)

For Carey, the superiority of the capitalist society that exists in the United States over the “English” (*sic*) manifests itself in the fact that the former, unlike the latter, stands unfettered by precapitalist forms. For Carey, therefore, English society stands as an example of backwardness; for Bastiat, by contrast, it is a symbol of *progress*: for Bastiat it is the French State that fetters bourgeois development, while in England bourgeois forms are allowed their free development.

Thus, “[w]hile Carey [...] brings the higher power to which bourgeois society is developed in North America to bear against the English economists, Bastiat brings to bear the lower power of bourgeois society in France, against the French socialists.” (Marx 1973, p. 885)

For Carey, “as the commanding power of the world market, England distorts the harmony of economic relations in all the countries of the world.” (Marx 1973, p. 886) This is what leads him to protectionism.

The harmony of economic relations rests, according to Carey, on the harmonious cooperation of town and countryside, industry and agriculture. Having dissolved this fundamental harmony in its own interior, England, by its competition, proceeds to destroy it throughout the world market, and is thus the destructive element of the general harmony. The only defence lies in protective tariffs—the forcible, national barricade against the destructive power of large-scale English industry. (Marx 1973, p. 886)

Carey therefore “articulates the specific national development of the United States, their antithesis to and competition with England.” The irony is that his championing of “harmony”

⁵ Mill (1806-1873), Marx notes, was typical of the “fatuousness of [...] bourgeois economists, [...] [in that he] considers the bourgeois relations of production as eternal, but their forms of distribution as historical, and thereby shows that he understands neither the one nor the other.” (Marx 1973, pp. 758-9).

⁶ Thomas Tooke (1774-1858). Marx valued Tooke’s contribution to political economy, and shared his anti-quantity theory of money (Tooke was a prominent member of the “Banking School”). Marx relied heavily on Tooke’s monumental work *History of Prices*, especially vols. V and VI, in his writing of the “books of crisis” written contemporaneously with the 1857-58 Manuscript. (See Mori 2018.)

⁷ Carey (1793-1879), in Marx’s judgement “the only original economist among the North Americans” (Marx 1973, p. 884), was a trenchant critic of free trade and a vehement supporter of American protectionism. He was arguably the most prominent, and certainly the most influential (he was the chief economic advisor to President Abraham Lincoln), North American economist of his day. His best-known work was *The Harmony of Interests: Agricultural, Manufacturing, and Commercial*, published in 1851.

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at home leads him to see only *disharmony* on the world market: “[...] the relations which appear harmonious to him within specific national boundaries or, in addition, in the abstract form of general relations of bourgeois society—e.g. concentration of capital, division of labour, wage labour etc.—appear as disharmonious to him where they appear in their most developed form—in their world market form [...]” (Marx 1973, p. 886) This is an expression of his particular—*national*—outlook: Carey “is equally an American in his assertion of the harmony within bourgeois society, as in his assertion of the disharmony of the same relations in their world-market form.” (Marx 1973, p. 887)

For Bastiat, on the other hand, it is precisely the wider world where bourgeois economic “harmony” is to be found. Hence

Carey’s generality is Yankee universality. France and China are equally close to him. [...] Bastiat’s generality is to ignore all countries. As a genuine Yankee, Carey absorbs from all directions [...]. Bastiat, by contrast, presents fantasy history, his abstractions sometimes in the form of arguments, another time in the form of supposed events, which however have never and nowhere happened, just as a theologian treats sin sometimes as the law of human existence, then at other times as the story of the fall from grace. (Marx 1973, p. 888)

Bastiat and Carey “both are equally unhistorical and anti-historical.” (Marx 1973, p. 888) But the unhistorical element in Carey is the contemporary historical principle of North America, while the unhistorical element in Bastiat is only a reminiscence of the eighteenth-century French mode of generalisation.

Marx now directs his attention to chapter 25 of Bastiat’s *Harmonies*, which deals with the question of wages.

Bastiat, says Marx, assumes modern wages to be fixed (i.e. not be subject to random variations)—this, in Bastiat’s opinion, supposes an advantage for the wage-earner, and contrasts favourably with the situation of the capitalist, whose income is not fixed (and also to the remuneration of the producers in that pre-modern condition in which “in which fishing, hunting and herding form the dominant forms of production and society” (Marx 1973, p. 890)).

(Marx notes that defining wages according to their fixed nature, “simply because wages are subsumed under the fixed revenues”—even if it were true that they *were* fixed—tells us nothing about the “the *proper character* of wages, its characteristic specificity”. (Marx 1973, p. 889))

Bastiat thus imagines that an “original form of association, wherein all the associates share all the risks of chance, is followed, as a higher stage of association entered into voluntarily by both sides, by a form in which the worker’s remuneration is fixed.”⁸ (Marx 1973, p. 890) But this is all wrong (says Marx): the emergence of wage-labour out of the collapse of pre-capitalist social configurations precisely involves “labour” *losing* its “fixity”.

In real history, wage labour arises out of the dissolution of slavery and serfdom—or of the decay of communal property, as with oriental and Slavonic peoples—and, in its adequate,

⁸ “We will not call attention here to the genius of a procedure which begins by presupposing a capitalist on one side and a worker on the other, so as then, afterwards, to let the relation of capital and wage labour arise between them by their mutual agreement.” (Marx 1973, p. 890)

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epoch-making form, the form which takes possession of the entire social being of labour, out of the decline and fall of the guild economy, of the system of Estates, of labour and income in kind, of industry carried on as rural subsidiary occupation, of small-scale feudal agriculture etc. In all these real historic transitions, wage labour appears as the dissolution, the annihilation of relations in which labour was fixed on all sides, in its income, its content, its location, its scope etc. *Hence as negation of the stability of labour and of its remuneration.* (Marx 1973, pp. 890-91)

Even those who argue that wages are “fixed” (i.e. with respect to capital) admit that wages fluctuate according to conditions of supply and demand, that wages are affected by crises, that the introduction of machinery renders labour superfluous; no: when the economists talk of the “fixity of wages”, Marx insists, what they mean is “that, over a period of time, wages roughly keep to an average level, i.e. there is a minimum wage for the whole class [...] and there is a certain average continuity of labour, e.g. wages may continue to be paid even in cases where profit declines or completely disappears for a time.” (Marx 1973, 892) But Marx dismisses even this as a tautology: “Where capital and wage labour is the dominant relation of production, there exists an average continuity of wage labour, and, to that extent, a fixity of wages for the worker. Where wage labour exists, it exists.” (Marx 1973, p. 892)

After noting parenthetically that historically “[t]he first form in which wages make their general appearance [is] military pay”, Marx, evidently dissatisfied, abandons the essay. “*It is impossible to pursue this nonsense any further. We, therefore, drop Mr Bastiat,*” he declares. (Marx 1973, p. 893)

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