

Capital

CRITIQUE OF POLITICAL ECONOMY
VOLUME 1

Karl Marx

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PRINCETON UNIVERSITY PRESS
PRINCETON & OXFORD

a capitalist in larval form, has to buy commodities at their value and sell them at their value, yet in the end extract more value from the process than he put into it. He must, and can't, metamorphose into a butterfly in the circulation sphere. This is what we are up against. *Hic Rhodus, hic salta!*^{ix}

3. Buying and Selling Labor-Power

When money turns into capital, where does its change of value occur? Not in money itself: as a means of purchase or payment, money merely realizes the prices of the commodities it buys or pays for, and when money clings to its own form, it hardens into a magnitude of value that remains the same.³⁹ The money's value also can't change in the second act of circulation, a commodity's resale, because this act merely transforms a commodity from its natural form back into the money-form. The change has to take place in the commodity that is purchased in the first act of circulation, M-C; yet the value of this commodity can't change during the act of exchange, because equivalents are being exchanged: the commodity is bought at its value. So the change in the money's value has to proceed from the commodity's use-value as such; that is, the change has to take place when the commodity is consumed. In order to extract value from the consumption of a commodity, our money owner must be lucky enough to find circulating in the market a commodity whose use-value has the special characteristic of being a source of value. When this commodity is actually consumed, labor would be objectified, and thus value would be created. The money owner does in fact find just such a commodity in the market: labor-capacity or labor-power.

By "labor-power" and "labor-capacity," we mean all the capacities that exist in a person's bodily form and living personality, and that he activates whenever he produces use-values of any kind.

Various conditions have to be met before the money owner can actually find labor-power on the market as a commodity. Commodity exchange, in and for itself, doesn't imply any relations of dependence except the ones arising from its own nature. Given this, labor-power can appear in the market

would have to pose the question of capital formation as follows: Where does capital come from, given that prices are regulated by average prices—or, ultimately, by the value of commodities? I say "ultimately" because average prices don't coincide directly with commodities' magnitudes of value, in contrast to what Smith, Ricardo, and so on believed.

39. "In the form of money . . . capital is productive of no profit" (Ricardo: *Princ. of Pol. Econ.* p. 267).

as a commodity only insofar as and because its owner, the person it belongs to, offers it for sale or sells it as a commodity. And if the labor-power's owner is to sell his labor-power as a commodity, it must be fully his, something that he can do whatever he wants with. He must be the independent proprietor of his labor-capacity, of his own person.⁴⁰ The owner of the labor-power and the money owner encounter each other in the market—and enter into a relation—as commodity owners of the same standing, different only in that one buys and the other sells; they are equals before the law. In order to maintain this relation, the owner of the labor-power must sell his commodity for a limited time only. If he sold his labor-power all at once, in one big sale, he would be selling himself, transforming himself from a free person into a slave, from a commodity owner into a commodity. Here a person must always treat his labor-power as his property, hence as his own commodity, and he can do that only insofar as he puts his labor at the buyer's disposal temporarily—only insofar as he gives up his labor-power to be consumed for a specific time-period. He has to dispose of his labor-power without renouncing ownership of it.⁴¹

40. In encyclopedias of classical antiquity, one can read the following sort of nonsense: In the ancient world, capital was fully developed, “except that free workers and a credit system were missing.” Even Mr. Mommsen, in his “Roman History,” commits one *quid pro quo* after another. [Editor's note: Theodor Mommsen (1817–1903) was a German historian and politician known for trying to make classical studies more rigorous or “wissenschaftlich,” which, for some of his critics (e.g., J. J. Bachofen), amounted to Prussianizing them. In the late nineteenth century, Mommsen managed to secure millions of marks in funding from the German government to carry out vast data collection projects, sending scores of researchers into the field to produce “forensically sound” copies of Roman inscriptions. His partner in this general undertaking, the church historian Adolf Harnack, liked to call what they had set in motion “the heavy industry of scholarship.” In 1901, Mommsen won the Nobel Prize for Literature for his multivolume *Roman History*.]

41. Hence legislation in different countries has established a maximum length for labor contracts. Wherever free labor obtains, laws regulate the conditions for terminating labor contracts. In some countries, especially Mexico (and before the American Civil War, in those territories that the United States had torn away from Mexico, and also, practically speaking, in the Danube principalities before Cuza's takeover), slavery is or has been hidden under the form of peonage. Advances to be repaid with labor, and handed down from one generation to the next, make not only individual workers, but also their families, into the property of other people and the families of those people. Juarez abolished peonage, but the so-called Emperor Maximilian reintroduced it with a decree that was accurately denounced in the United States House of Representative as a decree to reintroduce slavery in Mexico. “I can alienate . . . my particular physical and mental skills and active capabilities to someone else and allow him to use them for a limited period, because provided they are subject to this limitation, they acquire an external relationship to my totality and universality. By alienating the whole of my time, as made concrete through work, and the totality of my production, I would be making the substantial quality of the latter, i.e. my universal activity and actuality or my personality itself, into someone else's property” (Hegel:

A second essential condition needs to be met before the money owner can find labor-power in the market as a commodity. The labor-power's owner can't sell commodities in which his labor has been objectified. Instead he has to sell as a commodity his labor-power itself, which exists only in his living body.

A person obviously has to own some means of production—for example, raw materials, instruments of labor, and so on—in order to sell commodities other than his own labor-power: he can't make boots without leather. He also needs some means of subsisting. No one can live on the products of the future, i.e., unfinished use-values. People have to consume things every day, both before they produce and while they are producing, just as they had to on the first day they appeared on the world stage. In addition, the things that people produce as commodities have to be sold after they have been produced, and they can satisfy the wants and needs of their producers only after they have been sold. The time it takes to sell commodities has to be added to the time it takes to produce them.

A money owner has to find a free worker in the commodity market—free in two senses—in order to turn money into capital. As a free person, the worker can do whatever he wants with his labor-power: he can sell it as his own commodity. Furthermore, he is otherwise commodity-free: he has none of the things he needs to realize his labor-power.

The money owner finds the labor market ready-made as a particular division of the commodity market and isn't interested in why he encounters this free worker in the circulation sphere. For the moment, neither are we. We are proceeding from this fact on the level of theory, whereas the commodity owner does so on the level of practice. But one thing is clear: nature doesn't produce money owners or commodity owners on the one side, and people who own only their labor-power on the other. This relation comes from natural history just as little as it is a social relation that we find in all historical periods. Clearly, it resulted from a prior historical development: it was produced by many economic revolutions in the past, or a whole series of older formations of social production going under.

The economic categories we examined earlier also carry traces of history. A product's existence as a commodity contains, veiled within it, definite historical conditions. If a product is to become a commodity, it can't be produced to serve its producer directly as a means of subsistence.

“Die Philosophie des Rechts. Berlin 1840,” p. 104, §67). [Editor's note: English translation, *Elements of the Philosophy of Right*, trans. H. B. Nisbet, ed. Allen W. Wood (Cambridge: Cambridge University Press, 1991), p. 97. Translation modified.]

Let's say that we had gone further and asked, Under what circumstances do all products, or even just the majority of them, take on the form of a commodity? We would have seen that this situation is always based on a very specific mode of production: the capitalist mode. But such a line of inquiry would take us far from an analysis of the commodity. Commodity production and commodity circulation can occur even if the vast majority of products, being slated to meet the immediate needs of their makers, aren't turned into commodities, or where exchange-value is still a long way from reigning over all areas of the social process of production. In order for products to be fashioned as commodities, the division of labor within society has to have developed enough for use-value and exchange-value to be fully separated, a process that merely begins with direct exchange. We find this stage of development, however, in economic social formations that belong to very different historical moments.

Let us now consider money, which exists only once a certain level of commodity exchange has been reached. Different forms of money—money as the commodity's mere equivalent, money as the means of circulation, money as the means of payment, money as stores of money and worldwide money—indicate very different stages in the social process of production, according to the extent and relative preponderance of one function or the other. Nevertheless, experience shows that even relatively undeveloped commodity circulation allows all these forms to emerge. Not so with capital. Its historical conditions of existence aren't yet present in the simple circulation of commodities and money—far from it. Capital arises only where a person who owns some means of production and subsistence finds a free worker in the market selling his own labor-power, and this one historical condition holds within it a whole history of the world. The appearance of capital announces a new epoch in the social process of production.⁴²

Here, then, we need to look more closely at labor-power, that special commodity. Like all other commodities, it has a value.⁴³ How is its value determined?

As with any other commodity, the labor-time needed to produce this particular article, and thus also reproduce it, determines its value.

42. Note added to the second edition: What characterizes the capitalist epoch, then, is that for the worker himself labor-power takes on the form of a commodity belonging to him, and his labor therefore takes on the form of wage labor. At the same time, it is only from this moment on that the commodity-form of labor products becomes universal.

43. "The Value or Worth of a man, is as of all other things, his price: that is to say, so much as would be given for the use of his power." Th. Hobbes: "Leviathan" in Works edit. Molesworth. London 1839-44, Vol. 3, p. 76.

Labor-power, insofar as it is value, represents nothing but the particular quantity of socially average labor objectified in it. Labor-power exists only as a capacity that belongs to a living individual. This individual must therefore exist in order for labor-power to be produced. So to reproduce or maintain this individual is in fact to produce labor-power. Since a living individual requires a certain amount of means of subsistence, the labor-time needed to produce labor-power equals the labor-time it takes to produce these means. In other words, labor-power's value is the value of the means of subsistence needed to maintain the labor-power's owner. Labor-power is realized, however, only by being expressed, and it is only activated in labor. When it is activated in labor, a definite quantity of human muscle, nerve, brain, and so on is expended, and this quantity has to be replaced. If more is expended, more has to be replenished.⁴⁴ If an owner of labor-power works today, he must be able to repeat the same process tomorrow with the same strength and health. Thus the total amount of means of subsistence must suffice to maintain the working individual as a working individual in his normal state. His natural wants and needs, such as nourishment, clothes, heating, housing, and so on, vary according to the climate and other natural features specific to a country. But the extent of his so-called necessary wants and needs, and his way of satisfying them, are themselves historical products, and thus they depend to a large extent on the stage of culture that his country has reached. Among other things, the conditions in which members of the class of free workers are formed also play an essential role here, since they shape the habits and living standards of those workers.⁴⁵ Moral and historical factors help to determine labor-power's value, in contrast to what we find with all other commodities. In a given country in a given period, the average amount of the necessary means of subsistence is nevertheless a known *datum*.

The owners of labor-power are mortal. If the person selling his labor is to appear in the market continuously, as he must when money is continuously transformed into capital, he has to perpetuate himself "in the way that every living being perpetuates itself, by procreation."⁴⁶ The labor-power that wear and tear and death take from the market must always be

44. As the person who oversaw agricultural slaves in ancient Rome, the *villicus*, "because his work was easier than that of the slaves," "got less than they did" (Th. Mommsen, *Röm. Geschichte* 1856, p. 810).

45. In his work "Over-population and Its Remedy. London 1846," W. Th. Thornton presents interesting evidence in support of this point.

46. Petty. [Editor's note: Marx's source text is Petty's work from 1691, *The Political Anatomy of Ireland*; the line appears to be a paraphrase.]

replaced with at least as much labor-power. Thus the sum of the means of subsistence needed to produce labor-power has to include the means of subsistence for replacements: the workers' children. That is how the members of this race of special commodity owners perpetuate themselves in the commodity market.⁴⁷

A particular kind of training or education is needed to modify the general nature of human beings in such a way that they become skillful and deft in a particular branch of labor, or, in other words, become developed and specialized labor-power. This training, in turn, costs an equivalent in commodities of a greater or lesser amount. Educational costs differ according to whether the character of labor-power is mediated a little or a lot. Vanishingly small for ordinary labor-power, these costs count as part of the overall value spent to produce labor-power.

Since labor-power's value equals only the value of a certain sum of the means of subsistence, it varies with the value of those means—i.e., with the magnitude of the labor-time required to produce them.

Some means of subsistence—for example, food, heating, and so on—are consumed daily and must be replaced daily. Others, such as clothes and furniture, last longer and don't need to be replaced as often. Commodities of one type must be bought and paid for anew every day; other types must be bought or paid for weekly, monthly, quarterly, and so on. But however the sum of these expenditures is spread out over the course of a year, an income of a certain daily average is needed to cover it. If the total amount of commodities consumed daily to produce labor-power = A, and the commodities consumed weekly = B, quarterly = C, and so on, then the daily average of these commodities will be $365 \times A + 52 \times B + 4 \times C +$ and so on, divided by 365. If we assume that six hours of social labor are embedded in the quantity of commodities needed for an average day, then half a day of socially average labor is objectified daily in labor-power. So to produce labor-power daily, half a day of labor is required. This, the quantity of labor required each day to produce labor-power, constitutes labor-power's daily value, or the value of the labor-power reproduced daily. If half a day of socially average labor is also represented in an amount of gold worth 3 shillings or 1 thaler, then 1 thaler would be the price that corresponds to

47. "Its [labor's] natural price . . . consists in such a quality of necessities, and comforts of life, as, from the nature of the climate, and the habits of the country, are necessary to support the labourer; and to enable him to rear such a family as may preserve, in the market, an undiminished supply of labour." R. Torrens: "An Essay on the external Corn Trade. London 1815," p. 62. Here Torrens makes the mistake of using the word "labor" for labor-power.

the labor-power's daily value. If an owner of labor-power sells his commodity for 1 thaler per day, then its price equals its value, and, according to what we assumed above, the money owner who's so keen to transform his thalers into capital pays just that amount in value.

The lower or minimum limit of labor-power's value is the value of the commodities that the labor-power's bearer, a human being, needs daily in order to keep renewing his life-process: the value of his physically indispensable means of subsistence. If labor-power's price falls to that minimum, it will have fallen below its value. Under such circumstances, labor-power can be maintained and cultivated only in a broken condition, but what determines the value of every commodity is the labor-time needed to produce it with its normal level of quality.

This method of determining labor-power's value proceeds from the nature of the thing itself, and it is an extraordinarily cheap type of sentimentality that finds it harsh, whining along with Rossi, "To conceive labor-capacity [*puissance de travail*] while one abstracts from the workers' means of subsistence during the production process is to conceive a phantom [*être de raison*]. Someone who says labor, or labor-capacity, is also saying the worker and his means of subsistence, the worker and his wages."⁴⁸ But saying "labor-capacity" isn't the same as saying "labor," any more than saying "the capacity for digestion" is the same as saying "digestion." Digestion, as we know, requires more than a strong stomach—it needs food. To say "labor-capacity" isn't to abstract from the means of subsistence needed to maintain it. The value of these means is in fact expressed through labor-capacity's value. If a worker doesn't sell his labor-capacity, it does nothing for him; instead he will experience as a terrible natural necessity the fact that his labor-capacity, in order to be produced, has required a certain quantity of means of subsistence, and it keeps requiring those means all over again in order to be reproduced. Like Sismondi, he will discover that "labor-capacity . . . is nothing unless it is sold."^{49,x}

The special nature of labor-power, that singular commodity, is such that when a seller and buyer close their contract, the buyer doesn't actually have labor-power's use-value in his hands. As with every other commodity, labor-power's value is determined by the particular amount of social labor expended to produce it, and so its value is determined before it enters

48. Rossi: "Cours d'Écon. Polit. Bruxelles 1843," pp. 370, 371. [Editor's note: Pellegrino Rossi (1787–1848), an Italian economist and politician, took over Jean-Baptiste Say's chair in economy at the Collège de France upon the latter's death.]

49. Sismondi: "Nouv. Princ. etc." part 1, p. 114.

into circulation. But the use-value of labor-power doesn't come into being until its power is expressed, which happens only after it has been sold. There is a temporal gap, then, between the moment when power is parted with and the moment when it is in fact expressed, or exists as a use-value. When the moment that the use-value of a commodity is formally parted with (by being sold) and the moment that the buyer actually gets the use-value don't coincide,⁵⁰ the buyer's money functions most often as a means of payment. In all countries under the capitalist mode of production, labor-power isn't paid for until after it has functioned throughout the labor period that is established by the purchase contract, for example, at the end of each week. So the worker always advances the capitalist the use-value of his labor-power. He lets the buyer consume it before the buyer pays him; in other words, the worker always lets the capitalist buy on credit. This extending of credit is no mere illusion, which we see not only when wages bought on credit are lost due to the occasional bankruptcy on the part of a capitalist,⁵¹ but also from a series of even longer-lasting consequences.⁵² Whether money functions as a means of purchase or of

50. "All labour is paid, after it has ceased" ("An Inquiry into those Principles respecting the Nature of demand etc." p. 104). "Commercial credit must have begun when the worker, the first artisan of the product, was able, by means of his savings, to wait to receive the wages for his work until the end of the week, the fortnight, the month, the quarter, etc." (Ch. Ganilh: *Des Systèmes de l'Écon. Polit.* 2ème ed. Paris 1821, part 1, p. 150).

51. "The worker lends his industry": but then Storch cleverly adds that the worker "risks nothing" but "the loss of his wages. . . . The worker transmits nothing of a material nature" (Storch: *Cours d'Écon. Polit.* St. Petersburg, 1815, part 2, pp. 36, 37).

52. An example: In London, there are two kinds of bakers, the "full-priced" ones who sell bread at its full value, and the "undersellers" who sell it below that value. Members of the latter class make up more than three-quarters of all bakers. (See pp. XXXII-XXXIV in the "Report" of the government commissioner H. S. Tremenhoe on the "Grievances complained of by the journeymen bakers etc. London 1862.") Nearly all the undersellers sell bread that has been adulterated with alum, soap, pearl-ash, chalk, Derbyshire stone dust, and other similarly pleasant, nourishing, and wholesome ingredients. (See the Blue Book cited above, as well as the report of the "Committee of 1855 on the Adulteration of Bread" and Dr. Hassall's "Adulterations Detected." 2nd edit. London, 1861.) Speaking before the Committee of 1855, Sir John Gordon stated: "In consequence of these adulterations, the poor man, who lives on two pounds of bread per day, does not now take in one-fourth of that amount of nutrition, not to speak of the deleterious effects on his health." [Editor's note: More a paraphrase than a direct quotation.] To explain why "a very large proportion of the labouring class" has come to terms with alum, stone dust, and so on, even though they know about these ingredients, Tremenhoe makes the point (op. cit. p. XLVIII) that for workers it is "a matter of necessity to take, from their baker, or from the chandler's shop, whatever bread as may be offered to them." Because the workers aren't paid until the end of the week, "they are unable to pay for the bread consumed by their families during the week, before the end of the week," and Tremenhoe adds, citing witnesses' statements, "It is notorious that bread composed of those mixtures, is made expressly for sale in this

payment, however, has no effect on the nature of the commodity exchange itself. Labor-power's price is contractually established, even if its price isn't realized until afterward, as is the case when a house is rented. Labor-power has in fact been sold, even if someone pays for it only later. To gain a pure understanding of this relation, it can thus be useful to assume that the labor-power's owner always receives the contractually stipulated price on the spot.

We have seen what determines the value a money owner pays an owner of labor-power for his special commodity. In return, the money owner gets use-value that first appears during consumption, or in the process during which the labor-power is actually consumed. The money owner buys everything he needs for this process in the market, such as raw materials and so on, paying full price. The process whereby labor-power is consumed is simultaneously the process of producing a commodity and also the process of creating surplus-value. Labor-power is consumed outside the market, i.e., outside the sphere of circulation, just like every other commodity. Let's therefore leave this noisy sphere, which resides on the surface for all to see—leave together with the money owner and the labor-power's owner, and follow them into the hidden place of production. As we are about to enter, we will see a sign: "No admittance except on business."^{xi} Here we will learn not just how capital produces things, but also how capital is produced. The secret of turning a profit will be revealed at last.

The sphere of circulation or commodity exchange, within whose limits the movement of buying and selling labor-power occurs, is in fact a veritable Eden of innate human rights. What reigns is exclusively freedom, equality,

manner." "In many English agricultural districts [but even more in Scotland], workers are paid every two weeks and even monthly. With this long pay period, the agricultural worker must obtain goods on credit. . . . He has to pay high prices and is practically restricted to the shop which gives him credit. Thus at Horningsham in Wilts, for example, where wages are monthly, flour costs 2s. 4d. per stone, whilst it was 1s. 10d. per stone elsewhere" ("Sixth Report" on "Public Health" by "The Medical Officer of the Privy Council etc. 1864," p. 264). "In 1853, the block-printers of Paisley and Kilmarnock (western Scotland) obtained through a strike the reduction of the pay period from monthly to fortnightly" ("Reports of the Inspectors of Factories for 31st October 1853," p. 34). We can see the following method, which is used by many English coal mine owners, as another deft development in the credit the worker extends to the capitalist. Here the worker isn't paid until the end of the month, and in the meantime, the capitalist gives him advances, often in the form of goods that he, the worker, has to buy above their market value (truck system). "It is a common practice with the coal masters to pay once a month, and advance cash to their workmen at the end of each intermediate week. The cash is given in the shop [that is, the tommy shop belonging to the master]; the men take it on one side and lay it out on the other" ("Children's Employment Commission, III. Report. Lond. 1864," p. 38, n. 192).

property, and Bentham. Freedom! Because only the free wills of the buyer and seller of a commodity, for example, labor-power, determine how these figures act. They enter into business dealings as free persons, equal before the law. The end result is the contract that represents a joint legal expression of their wills. Equality! Because they interact only as commodity owners and exchange an equivalent for an equivalent. Property! Because each owner does whatever he wants with only what is his. Bentham! Because each cares only about himself. The only force that brings the two parties together and into a relation with each other is self-concern, private interests, personal gain. And precisely because each person thus thinks only about himself and no one else, and also as the result of the preestablished harmonious order of things, or perhaps under the auspices of an infinitely shrewd Providence, their work advances nothing but mutual benefits, the common good, and collective interests.

Something changes, so it seems, in the physiognomy of our *dramatis personae* upon leaving this sphere of simple circulation or commodity exchange, the sphere on which the vulgar free trader bases his views, concepts, and the standards he uses to judge a society of capital and wage labor. The former money owner now strides ahead as a capitalist, while the owner of the labor-power follows him as his worker, one grinning self-importantly, eager to do business, the other wary and reluctant to continue, like someone who has brought his own hide to the market and now can't expect anything other than . . . *the tannery*.

CHAPTER FIVE

The Labor Process and the Valorization Process

LABOR IS NOTHING but the use of labor-power. A person who buys labor-power consumes it by putting to work someone who has sold his labor-power, and in this way, the latter person actually becomes what he previously only had the potential to be: a bearer of labor-power in action—a worker. In order to be represented in commodities, his labor must first and foremost be represented in use-values, or things that serve to satisfy wants and needs of whatever kind. Thus the capitalist has the worker make a particular article or use-value. How use-values or goods are produced—the general nature of their production—doesn't change when a capitalist takes control of this process and someone else carries it out for him. We will therefore begin by considering the labor process independent of all particular social forms.

Labor is a process involving human beings and nature; in it, their own activity mediates, regulates, and controls their metabolizing of nature. When human beings work with materials found in nature, they are acting as natural forces. They set in motion the natural powers that belong to their bodies—arms and legs, head and hands—in order to appropriate natural materials in forms in which such materials serve human life. In applying this movement to the natural world around them, human beings alter it and at the same time alter their own nature. They cultivate the potential that slumbers in their nature and bring the play of its forces under their conscious control. We are not speaking of the earliest forms of labor, namely, instinctual and animal-like forms. When a worker arrives in the commodity market to sell his own labor-power, he is operating under conditions very far removed from those in which human labor hadn't yet advanced past the instinctual form it had initially (in primordial times). Here we are presupposing a form of labor that human beings alone are

capable of. Of course, spiders carry out operations that resemble a weaver's work, and bees produce honeycombs that would put some human builders to shame.ⁱ What separates the worst builder from the best bee is that before the builder creates a structure in wax, he creates it in his head. The end result of the labor process already exists when the process begins; it exists as an idea—as something a worker imagines. The worker doesn't simply shape natural materials into a new form; he also realizes a goal in doing so: a conscious goal that functions as a law determining both the work he performs and how he performs it, and to which, moreover, he must subordinate his will. When the worker subordinates his will to his goal, this is no isolated act. The whole time he is working, he must orient his will toward the purpose of his labor. He must stay focused, in other words, while he also exerts himself physically. The less the worker is drawn to the substance of his labor and the activities it involves, and, in turn, the less he enjoys his labor as the free play of his physical and mental powers, the more he has to train his attention on his work.ⁱⁱ

The basic components of the labor process are purposeful activity, or labor itself, and the object and means of labor.

Human beings encounter the land (which, economically speaking, includes water) as the ready-made general object of their labor, since, without their help, it supplies their original necessities or means of subsistence.¹ Anything where human labor merely breaks its connection to nature as a whole is an object of labor provided by nature: someone catches a fish and thus takes it out of its natural element, water; someone chops down a tree in a naturally occurring forest; someone removes ore from a vein in the earth; and so on. However, if an object of labor has been filtered, so to speak, through previous labor, we call it raw material—for example, the ore already broken loose, which is now ready to be washed. Raw material is always an object of labor. But not all objects of labor are raw material. An object of labor begins to count as raw material only after human labor has changed it in some way.

A means of labor is a thing or group of things that a worker puts between himself and the object of his labor. These things serve as conduits for his activity, conveying his labor to its object. He makes use of their mechanical, physical, and chemical properties, wielding them as means

1. "The earth's spontaneous productions being small in quantity, and quite independent of man, appear, as it were, to be furnished by nature, in the same way as a small sum is given to a young man, in order to put him in a way of industry, and of making his fortune" (James Steuart, *Principles of Polit. Econ*, edit. Dublin 1770, Vol. 1, p. 116).

of power in order to purposefully alter other things.² With the exception of a ready-made means of subsistence that a person gathers using only his own body as his means of labor, such as fruits, the first thing a worker takes hold of is a means of labor, not an object of labor. Thus the natural world itself comes to function as an organ in the worker's activity, an organ with which he supplements the organs of his own body.ⁱⁱⁱ He thereby enlarges his natural stature, despite what the Bible says.^{iv} Just as the land is the worker's original pantry, so it is also his first toolbox. It supplies the stones, for example, that he throws and uses to grind, press, cut, and so on. The land itself is a means of labor, yet a whole series of other means of labor have to be invented, and labor-power has to reach a relatively advanced stage, before the land can serve as a means of agricultural labor.³ The moment the labor process starts to develop beyond its initial form, it requires means of labor that have been crafted by labor. We find tools and weapons made from stones in the oldest human dwellings. When human history was in its earliest stages, domesticated animals counted among the primary means of labor—i.e., animals that had been acted upon by labor or bred for particular purposes. So did stones, wood, bones, and shells that had been modified by purposeful human activity.⁴ Although some animals create and use means of labor, albeit in very rudimentary ways, these activities are characteristic of a labor process that only human beings can carry out. Hence Franklin defines the human being as “a toolmaking animal.” The remains of means of labor are as important for understanding past economic formations of society as the remains of bones are for understanding extinct species of animals. The distinguishing feature of an economic epoch isn't which things are made, but rather how things are made: which means of labor are used.⁵ Means of labor aren't simply yardsticks that tell us how far human labor-power has advanced; they also

2. “Reason is as *cunning* as it is *powerful*. The cunning consists generally in the activity of mediating, which, by letting the objects, in keeping with their own nature, act on one another and wear themselves out on one another, without meddling immediately in this process, achieves *its* purpose alone” (Hegel, *Enzyklopädie. Erster Theil. Die Logik*, Berlin 1840, p. 342). [Editor's note: English translation, *Encyclopaedia of the Philosophical Sciences in Basic Outline: Part 1, Logic*, ed. and trans. Daniel Dahlstrom and Klaus Brinkmann (Cambridge: Cambridge University Press, 2010), p. 281.]

3. In an otherwise dreadful work, “Théorie de l'Écon. Polit. Paris 1815,” Ganilh, in opposing the Physiocrats, aptly enumerates the long series of labor processes that make up the precondition of agriculture proper.

4. In his “Réflexions sur la Formation et la Distribution des Richesses” (1766), Turgot competently explicates the importance of domesticated animals in the early stages of human culture.

5. Of all commodities, luxury items proper are the least significant when it comes to comparing the technological capabilities of different epochs of production.

reflect the social conditions under which labor is performed. Mechanical means of labor—taking them all together, let’s call them the skeletal and muscular system of production—have characteristics that say much more about a given epoch of production than means of labor that merely act as containers for objects of labor do—let’s call these the vascular system of production. The vascular system is made up of pipes, barrels, baskets, pitchers, and so on. It began to play a significant role only when chemical-based production processes emerged.⁶

If we consider the means of the labor process more broadly, we can include not only all the things that mediate how labor acts upon its objects and therefore serve as conduits for human activity in one way or another, but also all the things that the labor process fundamentally requires. These things don’t enter into the labor process directly; without them, however, it either can’t take place at all or can’t run its full course. Here, too, the land itself is a general means of labor, for it supplies the worker with the very ground beneath his feet (or *locus standi*) and his labor process with its “field of employment.” Many such means of labor are mediated by previous labor, including workshops, canals, roads, and so on.

So in the labor process, human beings use means of labor to alter an object of labor, working from the start with a specific purpose in mind. The process vanishes in the product. Its product is a use-value, a piece of natural material whose form has been changed to make it suitable for satisfying human wants or needs. Labor is now bound up with its object. It has become objectified, while its object has been modified by labor. What appeared on the worker’s side in the form of restless activity now appears on the product’s side as a characteristic at rest—that is, now it appears in the form of being. A worker spins, and his product is something spun.

When one views the whole labor process from the standpoint of its result—namely, its product—the means of labor and the object of labor appear as means of production,⁷ while the labor appears as productive labor.⁸

6. Note added to the second edition: Up to now, history writing has neglected the development of material production, i.e., the foundation of all social life and thus all real history. But at least scholars have based their categorization of the prehistoric period on research in the natural sciences rather than so-called historical research, categorizing epochs according to the materials that tools and weapons were made of, or as the stone, bronze, and iron ages.

7. It may seem paradoxical to call a fish that hasn’t yet been caught a means of production in the fishing industry. But we don’t yet have a technique for catching fish in waters where they don’t occur.

8. This definition of productive labor, which proceeds from the standpoint of the simple labor process, hardly suffices for the capitalist production process.

As some use-values or products are emerging from the labor process, others, the products of earlier labor processes, enter into the process. The same use-value that was produced by labor later serves different labor as a means of production. The labor process doesn't simply create products, then; it also requires them.

Nearly all branches of industry apply labor to objects of labor that are raw material—in other words, objects that have already been filtered through previous labor and are thus themselves products of labor. The exceptions are the extractive industries, which find their objects of labor ready-made in nature: mining, hunting, fishing, and so on (farming counts only insofar as it begins by breaking up virgin soil). Seed used in agriculture, for example, is raw material. We tend to see plants and animals as natural products, but they aren't, and neither were they produced by last year's labor. Rather, as they exist today, plants and animals are products that took shape by being continuously transformed over many generations in a process controlled by human beings and mediated by their labor. But the vast majority of means of labor display such obvious signs of having been mediated by previous labor that even the most superficial observer won't miss them.

Raw material can constitute a product's main substance, or it can play an auxiliary part when a product is made. Auxiliary raw material is consumed by the means of labor—for example, coal consumed by steam engines, oil consumed by wheels, or hay consumed by horses. It can also be added to the primary raw material in order to change the latter's physical constitution—for example, chlorine added to unbleached linen, coal added to iron, or dye added to wool. Or, auxiliary raw material can serve to facilitate the labor process, as it does where it is used to light and heat the workplace. The difference between primary and auxiliary raw material becomes blurry in chemical compounds, since none of the raw materials that go into them reappears as the product's main substance.⁹

Because things have many properties, and can be put to use in different ways, one and the same product can function as raw material in very different processes of labor. Grain serves millers, starch manufacturers, distillers, and cattle breeders as raw material. In fact, grain as seed functions as the raw material needed to produce itself: grain. Similarly, mining both yields coal as its product and needs coal as a means of production.

9. Storch distinguishes between actual raw material, which he calls "*matière*," and auxiliary materials, which he terms "*matériaux*." Cherbuliez speaks of auxiliary materials as "*matières instrumentales*."

One and the same product can also function as both a means of labor and raw material in a single process of labor. This is the case where cattle are fattened: the cattle that workers apply their labor to as raw material also function as a means of producing manure.

Some products that are ready to be consumed outside the labor process can be used as raw material for making other products, as grapes are used as the raw material for wine. On the other hand, human labor also turns out products in forms where they can serve only as raw material. Raw material in this state is called semimanufactured; “graduated manufacture” would be a better term and would apply to cotton, string, yarn, and so on. Although already a product, the original form of this raw material may have to keep changing as it goes through a series of further labor processes, functioning anew as raw material in each one, until it comes out of the final process as a finished means of subsistence or means of labor.

We should be able to see that how a use-value appears at a given moment—whether as raw material, a means of labor, or a product—depends entirely on its specific function in the labor process, on its position there. As its position changes, so do its characteristics.

When a product is put into new labor processes as a means of production, it loses its character as a product. Now it functions only as an objective factor, as a thing that aids living labor. A spinner treats the spindle merely as the means for his spinning and flax merely as the object of his labor. He needs them, of course. A person can’t spin without both material to spin and a spindle: the material and the spindle have to be present before he can start spinning. What doesn’t matter for this process is that flax and the spindle are the products of previous labor, just as for the purpose of eating, it doesn’t matter that bread is the product of the combined previous labor of farmers, millers, bakers, and so on. However, when the means of production in the labor process fail, their character as previous labor is keenly felt. A knife that doesn’t cut, yarn that constantly comes apart—these things make it hard not to think of cutler A and spinner B. But when we look at products that are working well, we don’t see that their useful characteristics were brought about by previous labor: this process disappears in such cases.

A machine that doesn’t play a part in the labor process is useless. Not only that, what isn’t used will succumb to the destructive force of nature’s metabolizing. Iron rusts; wood rots. Yarn that no one weaves or knits with becomes spoiled cotton. Living labor must take hold of these things, wake them from the dead, and transform them from potential use-values into actual use-values that satisfy wants and needs. Kissed by labor’s flames,

these use-values are appropriated by labor as its own bodies, animated by it in the labor process so that they perform the functions, the work, they were made for; they are of course consumed, but they are consumed with a purpose. They become the elements that constitute new use-values—i.e., new products that count among the means of subsistence and satisfy individual wants and needs, or that are brought into new labor processes, where they serve as means of production.

So finished products don't merely result from the labor process; they also make that process possible. At the same time, the only way to maintain these products of past labor as use-values and realize them is to put them back into the labor process, where they make contact with living labor.

Labor uses up its own material elements, its objects and its means, devouring them, in effect, and it is therefore a process in which things are consumed. This productive consumption differs from the way an individual consumes in that in the latter case, products are consumed as the living individual's means of subsistence, while in the former one, they are consumed as labor's means of subsistence, as the means through which an individual's activated labor-power subsists. Individual consumption produces the consumer himself; what results from productive consumption is a product that isn't the consumer.^v

To the extent that labor's means and object are themselves products of labor, labor consumes some products in order to create others—it consumes products when it makes them into the means of production for other products. Yet the labor process originally involved human beings applying labor to the land as they first found it, and just so, some of the means of production that are currently serving in the labor process are naturally occurring and don't represent a connection between natural material and human labor.

We have laid out the labor process in terms of its simple and abstract elements. Presented in this way, it is an activity whose purpose is to create new use-values, the appropriation of natural materials to satisfy human wants and needs, and what universally allows the human metabolizing of nature to take place—the eternal natural condition of human life, which is therefore independent of all the ways people live, or common to all social formations. And so we didn't have to show the worker in the context of his relations with other workers. It sufficed to present the human being and his labor on the one side, and nature and its material on the other. But how wheat tastes doesn't tell us who grew it, and looking at the labor process in this way tells us just as little about the actual conditions in

which it is carried out: whether it runs its course under the slave overseer's brutal whip or the capitalist's watchful eye, whether it is Cincinnatus who completes a labor process by tilling his couple of *jugera* or a savage who does that by slaying wild beasts with a stone.^{10,vi}

Let us return now to our capitalist *in spe*.^{vii} We left him after he had purchased (in the commodity market) all the components required for the labor process: the objective components, namely, the means of production, and also the subjective factor, namely, labor-power. With a sharp and practiced eye, he selected all the means of production and types of labor-power that his particular undertaking needs, whether it's spinning, manufacturing boots, or something else. Our capitalist then set about consuming the commodity he had bought, labor-power. He had the worker, the bearer of the labor-power, consume the means of production with the labor he performed. Of course, the general nature of the labor process isn't altered when the worker carries it out for a capitalist instead of for himself. Nor do workers start to make boots and spin yarn differently the moment a capitalist inserts himself into the labor process. The capitalist must initially take labor-power as he finds it in the market, which means that he must also take labor itself as it is handed down from the time before capitalists. Only later can the subordination of labor to capital transform the mode of production. We will therefore examine that transformation later.

The labor process exhibits only two characteristic features as the process by which a capitalist consumes labor-power.

First, workers work under the supervision of a capitalist who owns their labor. The capitalist sees to it that this work is done properly and also that the means of production are used efficiently. Raw materials aren't wasted and the instruments of labor are spared as much as possible, or worn down only to the extent that the labor itself requires them to be.

Second, the product belongs to the capitalist, not the person who produces it most directly: the worker. When a capitalist pays what a day of labor-power is worth, he owns the use of the labor-power for a day, just as he would the use of any other commodity he rented for a day, say, a horse. The use of a commodity belongs to the person who's bought the commodity, and when the owner of the labor-power gives his labor to its buyer, he is merely giving the

10. Using impeccable logic, Colonel Torrens discovered the origin of capital in the savage's stone. "In the first stone which the savage flings at the wild animal he pursues, in the first stick that he seizes to strike down the fruit which hangs above his reach, we see the appropriation of one article for the purpose of aiding in the acquisition of another, and thus discover the origin of capital" (R. Torrens, *An Essay on the Production of Wealth* etc. pp. 70–71). That original stick [Editor's note: "Stock" in German] is likely the reason why in English the word "stock" is synonymous with "capital."

buyer the use-value he has bought. From the moment the worker enters the capitalist's workshop, the capitalist owns the use-value of his labor-power—or, in other words, the use of it, namely, labor. Having bought labor-power, the capitalist can incorporate labor as a live, fermenting agent into the dead components—also owned by him—that go into the product. From the capitalist's standpoint, the labor process is merely the consuming of a commodity that he's bought, labor-power, although he can consume this commodity only when he provides it with some means of production. The labor process is a process that takes place between things a capitalist has bought, things he owns. A product that issues from this process therefore belongs to him as much as the product that results from the process of fermentation taking place in a wine cellar.¹¹

The product, which is the capitalist's property, is a use-value: yarn, boots, and so on. Although boots, for example, make social progress possible (to some extent), and our capitalist is clearly a man of progress, he doesn't manufacture boots for their own sake. Use-value is hardly the main thing—"qu'on aime pour lui-même"—in commodity production.^{viii} Here use-values are produced only because and insofar as they are the material substrate, the bearers, of exchange-value. Our capitalist cares about two things: first, he wants to produce a use-value that has an exchange-value, i.e., an article made to be sold: a commodity. Second, he wants to produce a commodity whose value exceeds the combined value of the commodities that go into producing it, namely, the means of production and the labor-power for which he has to advance good money in the commodity market. Our capitalist wants to produce a commodity and not merely a use-value; not merely use-value but also value; and not merely value but also surplus-value.

11. "The products are therefore appropriated before being converted into capital, and this conversion does not free them from appropriation" (Cherbuliez, *Riche ou Pauvre*, édit. Paris 1841, p. 54). "The proletarian, by selling his labor for a definite quantity of the means of subsistence [*approvisionnement*], renounces all claim to a share in the product. The products continue to be appropriated as before: this is in no way altered by the bargain we have mentioned. The product belongs exclusively to the capitalist, who supplied the raw materials and the *approvisionnement*. This follows rigorously from the law of appropriation, a law whose fundamental principle was the exact opposite, namely that every worker has an exclusive right to the ownership of what he produces" (ibid. p. 58). [Editor's note: The correct title and date of publication for Cherbuliez's book are: *Richesse ou Pauvreté: exposition succincte des causes et des effets de la distribution actuelle des richesses sociales*, 1840.] James Mill, *Elements of Pol. Econ.* etc. pp. 70, 71: "When the labourers receive wages for their labor, the capitalist is then the owner, not of the capital only [i.e., the means of production] but of the labour also. If what is paid as wages is included, as it commonly is, in the term capital, it is absurd to talk of labour separately from capital. The word capital as thus employed includes labor and capital both."

Given this, and also that we are examining commodity production here, it should be obvious that up to this point, we have considered only one side of the process. Just as every commodity is a unity of use-value and value, its production process has to be a unity of two processes: the labor process and the process of creating value.

Let's now view the production process as being at the same time the process of creating value.

We know that the value of every commodity is determined by the amount of labor materialized in its use-value—in other words, the amount of socially necessary labor-time that goes into producing it. This holds also for the finished product that our capitalist has in his hands at the end of the labor process. What we have to do first, then, is calculate the amount of labor objectified in his product.

Suppose his product is yarn.

The first thing that someone who wants to produce yarn needs is raw material, let's say in this case 10 pounds of cotton. We don't have to begin by investigating the cotton's value, because our capitalist has bought it in the market at its full value, let's say 10 shillings. The cotton's price has already represented the labor it took to produce the cotton as general social labor. Now let's assume as well that the amount of spindle used up in producing the yarn stands in for all the means of labor consumed, and that it has a value of 2 shillings. If it takes twenty-four hours of labor, i.e., two workdays, to produce an amount of gold worth 12 shillings, then two workdays are objectified in the yarn.

We shouldn't let ourselves be misled by the fact that the cotton has changed its form and the used-up part of the spindle has disappeared. According to the general law of value, 10 pounds of yarn will be an equivalent for 10 pounds of cotton together with $\frac{1}{4}$ of a spindle if the value of 40 pounds of yarn = the value of 40 pounds of cotton + the value of a whole spindle—in other words, if the same amount of labor-time is required to produce both sides of this equation. In this case, the same amount of labor-time is represented in different things: the use-value "yarn" and the use-values "cotton" and "spindle." Value doesn't care whether it appears in yarn, a spindle, or cotton. The spindle and cotton become bound up with each other in the spinning process—they don't just lie quietly side by side—but this doesn't affect their value any more than converting them into their equivalent in yarn through an act of simple exchange would.

The labor-time it takes to produce the cotton, the yarn's raw material, constitutes part of the labor-time needed to produce the yarn, and this

labor-time is therefore contained in the yarn. This is also true of the labor-time it takes to produce the part of spindle that has to be consumed in order for the cotton to be spun.¹²

For the purpose of considering the yarn's value—i.e., the labor-time it takes to produce the yarn—we can regard as different, successive phases in one and the same labor process the different individual labor processes that have to be carried out, separated by time and space, to make the cotton and the part of the spindle that is used up and, finally, to make yarn out of cotton and a spindle. All the labor contained in the yarn is past labor. It doesn't matter at all that the labor-time that went into producing the yarn's components is deeper in the past, that it is in the pluperfect, whereas the labor directly applied in the final process, the spinning, is in the perfect tense, nearer to the present. Let's say that it takes a certain quantity of labor, for example, 30 days, to produce a house. The total quantity of labor incorporated into the house is not affected by the fact that the labor performed on the last day goes into the product 29 days later than the labor done on the first day. Thus the labor-time contained in the material of labor and the means of labor can be regarded as though it were merely expended during a stage of the spinning process that precedes the labor added in the form of actual spinning.

Expressed as a price of 12 shillings, the combined value of the means of production—the cotton and the spindle—thus figures as a component of the yarn's value, in other words, the product's value.

But for this to happen, two conditions need to be met. First, the cotton and the spindle must actually serve to produce a use-value. In this case, they must be turned into yarn. It makes no difference to value if one particular use-value acts as its bearer rather than another; what value needs is for some use-value to play that role. Second, it must be presupposed that the amount of labor-time spent doesn't exceed the amount required under the given social conditions of production. So if under these conditions one pound of cotton is needed to spin one pound of yarn, then only one pound of the former can be consumed to produce a pound of the latter. The same holds for the spindle. The capitalist might dream of using gold spindles instead of iron ones, but the only labor that counts toward the yarn's value is socially necessary labor—that is, the labor-time needed to produce iron spindles.

12. "Not only the labour applied immediately to commodities affects their value, but the labour also which is bestowed on the implements, tools, and buildings with which such labor is assisted." Ricardo *op. cit.* p. 16.

We now know what part of the yarn's value is made up by the means of production, the cotton and the spindle. It amounts to 12 shillings—in other words, the materialization of two days of labor. What we have to do next is examine the part of the yarn's value that comes from the labor that the spinner bestows on the cotton.

This means looking at his labor from a perspective very different from that of the labor process. What mattered there was the purposeful activity of turning cotton into yarn. The more effective the labor working toward this aim, the better the yarn will be, provided that all other conditions remain the same. The spinner's labor was of a specific kind, different from other types of productive labor, and this difference came to light—subjectively and objectively—in the particular purpose of his labor, his particular mode of operation, the particular nature of his means of production, and the particular use-value of his product. The labor of spinning requires cotton and spindles, but these things won't help anyone make grooved cannons. On the other hand, insofar as the spinner's labor creates value, i.e., functions as a source of value, it is no different from the labor of a person who drills grooves or, to use examples closer to home, from the labor of the cotton farmer and the labor of the spindle maker realized in the yarn's means of production. Only this identity of different forms of labor allows cotton farming, spindle making, and spinning to constitute merely quantitatively different parts of one total value, the yarn's value. The quality of labor, its constitution or content, is no longer at issue here; all that matters now is its quantity. And all we have to do is calculate it. Let's assume that spinning is simple labor, in other words, socially average labor. Later we will see that it makes no difference if we assume that it isn't.

During the labor process, labor changes its form continuously, going from restless activity to simply being, from the form of movement to that of objecthood. At the end of an hour of labor, the physical movement of spinning is represented in a certain quantity of yarn; thus a certain quantity of labor, an hour of it, has been objectified in the cotton. We are using the general term "hour of labor," because the labor of spinning counts for something here only as expended labor-power, and not as the specific labor of spinning.

The process whereby cotton is transformed into yarn must consume only the socially necessary labor-time: this is now of decisive importance. If x pounds of cotton are made into y pounds of yarn in an hour under normal or average social conditions of production, then only a workday during which $12x$ pounds of cotton are turned into $12y$ pounds of yarn

qualifies as a workday of twelve hours. For only socially necessary labor-time counts as labor-time that creates value.

Both the raw material and the product look quite different than they did from the standpoint of the labor process. The raw material now counts only as something that absorbs a certain quantity of labor. As the raw material absorbs labor, it is in fact transformed into yarn, since the labor of spinning is being applied to it. But the product, the yarn, is now merely a yardstick that measures how much labor the cotton has absorbed. If $1\frac{2}{3}$ pounds of cotton are spun in an hour—in other words, transformed into $1\frac{2}{3}$ pounds of yarn, then 10 pounds of yarn indicate that a certain quantity of labor has been absorbed, namely, six hours. Definite quantities of products now represent only discrete masses of coagulated labor-time, while experience establishes how great or small these masses are. A given quantity of the product is now only the materialization of an hour of social labor, or two hours, or a day of it.

It doesn't matter that the labor is spinning, its material is cotton, and its product is yarn, just as it also doesn't matter that as raw material, the object of labor is itself a product. If the worker were employed in a coal mine instead of as a spinner, then the object of his labor, coal, would be a naturally occurring material. Yet every definite quantity of coal that he broke loose from the earth would still represent a definite quantity of labor that has been absorbed into the object.

We assumed that when the labor-power was bought, its daily value = 3 shillings, and that six hours of labor were embodied in this sum; so we assumed that it takes six hours of labor to produce the worker's average daily means of subsistence. If our spinner turns $1\frac{2}{3}$ pounds of cotton into $1\frac{2}{3}$ pounds of yarn in an hour of labor,¹³ then in six hours, he will turn 10 pounds of cotton into 10 pounds of yarn, and during the process of spinning, the cotton will absorb six hours of labor. The same amount of labor-time is represented in a quantity of gold worth 3 shillings, which means that the labor of spinning adds 3 shillings of value to the cotton.

Let's look at the total value of the product, namely, the 10 pounds of yarn. Two and a half days of labor have been objectified in these 10 pounds: the cotton and the used-up part of the spindle contain two days of labor, while half a day was absorbed during the actual spinning process. The same labor-time is represented in a quantity of gold worth 15 shillings. Fifteen shillings is therefore the price that corresponds to the value of 10 pounds of yarn, and 1s. 6d. is the appropriate price for a pound of yarn.

13. These figures are completely arbitrary.

Our capitalist can't believe it. The product's value merely equals the value of the capital he advanced. The value he advanced hasn't valorized itself. It hasn't created surplus-value; hence it hasn't transformed money into capital. Fifteen shillings is the price of the 10 pounds of yarn, and in the commodity market our capitalist paid 15 shillings for the components that make up this product or, in other words, the factors of the labor process: 10 shillings for the cotton, 2 shillings for the part of the spindle consumed by labor, and 3 shillings for labor-power. It doesn't help him that the yarn's value is relatively large because its value is merely the sum of the cotton's, the spindle's, and the labor-power's individual value, and surplus-value will never be generated when existing values are simply combined in this way.¹⁴ Value is now concentrated in one thing, but it was also concentrated in the capitalist's 15 shillings before he dispersed them by making three separate purchases.

This result shouldn't surprise us. If a pound of yarn has a value of 1s. 6d., then our capitalist would have to pay 15 shillings for 10 pounds of yarn in the commodity market. If a person buys a house to live in, the money he pays for it won't increase just because he decides to have it built instead of purchasing his house ready-made. Neither way of acquiring a house causes what he has spent to grow.

Our capitalist, who is well versed in vulgar political economy, will perhaps say that he advanced money in order to make more money. But the road to hell is paved with good intentions, and he might just as well have intended to make money without producing a thing.¹⁵ He warns that he won't be caught off guard again. From now on, he will buy his commodity ready-made in the market instead of producing it himself. But if all his capitalist brothers were to do that, where in the market would he find his commodities? And he can't make a meal out of his money. He begins to sermonize. One should appreciate his abstinence. He could have frittered

14. This is the Physiocrats' fundamental principle—the basis for their doctrine that all nonagricultural labor is unproductive. Professional political economists treat it as irrefragable. "This way of imputing to a single thing the value of several others [for example, to linen the consumption of the weaver], of applying, so to speak, layer upon layer, several values to a single one, makes the latter grow all the more. . . . The term 'addition' aptly describes the way in which the price of labor is established; this price is simply the total of several values consumed and added together; yet adding is not the same as multiplying" (Mercier de la Rivière op. cit. p. 599).

15. Hence, during the years 1844 to 1847, he withdrew part of his capital from productive undertakings and spent it speculating, unsuccessfully, on railroad stocks. Hence, too, he shuttered his factory during the American Civil War, putting his workers out on the street so that he could gamble on the Liverpool cotton exchange.

away his 15 shillings, but he spent them productively, using them to manufacture yarn, and he has yarn now rather than pangs of conscience. What he must not do is amass wealth by simply taking it out of circulation: we have seen what such asceticism brings. Not only that, where there is nothing, the emperor has lost his rights, and whatever the merit of the capitalist's act of renunciation may be, he can't be compensated for it, because there is nothing to compensate him with.^{ix} In this case, the process yields a product whose value merely equals the combined value of the commodities he put into it. Our capitalist might have found solace in the idea that virtue is its own reward, but instead he starts to raise his voice. The yarn is of no use to him—he made it in order to sell it. Thus he should sell it, or better yet, he should produce only things that satisfy his own wants and needs, a trusted therapy that MacCulloch, his personal doctor, has prescribed to help against the epidemic of overproduction. Our capitalist becomes defiant and defensive, rearing up on his hindquarters. He asks, Can a worker make commodities out of thin air simply by using his arms and legs? Didn't he supply his worker with the material the worker needed to embody his labor and in which his labor is thus embodied? Given that penniless persons make up the vast majority of society, hasn't our capitalist rendered an immeasurable service to society by providing the means of production—namely, the cotton and the spindle? Hasn't he done the worker a great service, too, by giving him his means of subsistence? And shouldn't he get something in return for this service? But hasn't the worker in fact done our capitalist an equivalent service by turning the cotton and the spindle into yarn? Moreover, the notion of service is out of place here.¹⁶ A service occurs when a use-value, whether a commodity or labor, exerts useful effects.¹⁷ For the moment, however, what matters is exchange-value. Our capitalist paid the worker value

16. "Boast about yourself if you wish to, bejewel and adorn yourself. . . . Whoever takes more or better [than he gives], that is usury which means that this person has not served his neighbor but rather has harmed him, just as when one steals or robs. Not everything that one calls a service and a benefit to one's neighbor is in fact a service or a benefit. For an adulteress and an adulterer do each other a great service and give each other great pleasure. A horseman does a highwayman by helping him rob on the highway assault the people and the land. The papists do our people a great service when in that they do not drown, burn, or murder them all, or have them rot in prison, but instead let some live and drive them out or take from each person what he has. The devil himself does his servants an immeasurably great service. . . . To sum up: the world abounds with great, splendid services and good deeds performed every day" (Martin Luther, *An die Pfarrhern, wider den Wucher zu predigen* etc. Wittenberg, 1540).

17. In my "Zur Kritik der Pol. Oek," p. 14 [Editor's note: English translation, *A Contribution to the Critique of Political Economy*, trans. S. W. Ryazanskaya, in *Marx-Engels Collected Works*, vol. 29 (Moscow: Progress Publishers, 1977), p. 278.], I remark about this:

amounting to 3 shillings. The worker paid the capitalist back exactly the same quantity of value with the 3 shillings of value he added to the cotton: value for value. Our friend, who'd been cocky in the way of capital, suddenly takes on his worker's modest demeanor. Hasn't he worked, too? Hasn't he performed the labor of overseeing, of managing, the spinner? Shouldn't his work, too, generate value? The capitalist's own "overlooker" and his manager shrug at this. In the meantime, he has begun to grin broadly: his old expression is already back. His whole speech was just a ploy. Such discussions don't interest him at all. He will leave the lazy excuses and shallow arguments to the people who are paid to deliver them: professors of political economy. He is a practical man, and while he might not always know what he's talking about elsewhere, when it comes to business, he knows what he's doing.

Let's take a closer look at this. The labor-power's daily value amounts to 3 shillings because half a day of labor is objectified in it—or, in other words, because it takes half a workday to produce that labor-power's daily means of subsistence. But there's a quantitative difference between the past labor embedded in the labor-power and the living labor that arises when the labor-power is used, between what it costs to maintain the labor-power daily and what its expenditure can generate daily. The first quantity determines the labor-power's exchange-value, while the second quantity constitutes its use-value. The fact that half a workday is required to maintain a worker for twenty-four hours hardly prevents someone from working a whole day. Thus labor-power's value and its valorization during the labor process represent two different magnitudes. This difference in value doesn't go unnoticed by our capitalist, who has his eye on it when he buys labor-power. Labor-power's useful character, that it can make yarn or boots, is merely a *conditio sine qua non*, because only labor that is expended in a useful form creates value. The decisive factor, however, is labor-power's special use-value: its ability to function as a source of value—of value greater than its own value. This is the specific service the capitalist expects it to perform, and here he is operating in accord with the eternal laws of commodity exchange. The worker who sells his labor-power is merely doing what everyone who sells a commodity does: realizing the exchange-value of his commodity while disposing of its use-value. In order to have the one thing, he must part with the other. A person who has sold the use-value of his labor-power—that is, who has sold his labor—doesn't own it any more

"It can easily be seen what 'service' the category 'service' must render to economists such as J. B. Say and F. Bastiat."

than an oil merchant owns the use-value of oil he's sold. The money owner pays what a day of labor-power is currently worth, and for a day the use of the labor-power belongs to him: he gets a day of labor. But it takes only a half a day of labor to maintain the labor-power for a day, whereas the labor-power can be activated throughout the entire workday, and the value created when the labor-power is consumed during the day is thus twice as large as the labor-power's own daily value. This circumstance may be especially fortunate for the person who buys the labor-power, yet it is hardly unfair to the person who sells it.

Our capitalist foresaw this *casus*, which makes him laugh.^x Hence the worker finds the factory equipped with the means of production needed for a twelve-hour labor process, not one that lasts only six hours. If 10 pounds of cotton absorb six hours of labor and turn into 10 pounds of yarn, then 20 pounds of cotton will absorb twelve hours of labor and turn into 20 pounds of yarn. Let's examine the product of this new, extended labor process. Five days of labor are now objectified in the 20 pounds of yarn: four days are objectified in the cotton and the part of the spindle that has to be consumed, and one day of labor is absorbed into the cotton as it is being spun. Expressed as a quantity of gold, five days of labor comes out to 30 shillings or £1 and 10s., which is also the price of the 20 pounds of yarn. A pound of yarn still costs 1s. 6d. But while the combined value of the commodities put into the labor process is 27 shillings, the yarn's value is 30 shillings. The product's value is now $\frac{1}{9}$ greater than the value that was advanced in order to produce it. In this way, 27 shillings have turned into 30, gaining a surplus-value of 3 shillings. The magic trick works at last. Money has been transformed into capital.

Every aspect of the capitalist's problem has been solved, and not a single law of commodity exchange has been violated. For equivalents have been exchanged. Acting as a buyer, the capitalist purchased the cotton, part of the spindle, and the labor-power, paying for each commodity at its full value. Next he did what everyone who buys commodities does: consume their use-value. The process in which the labor-power was consumed, which is also the commodity's process of production, yielded 20 pounds of yarn—a product with a value of 30 shillings. Having bought commodities in the market, our capitalist now returns to the market to sell them. He sells one pound of yarn for 1s. 6d.—in other words, its exact value, not a penny more or less—yet the amount he takes out of circulation exceeds what he originally put into it by 3 shillings. This entire process—the transformation of his money into capital—takes place in the circulation sphere, yet also not in that sphere. In the circulation sphere, because when the

capitalist buys labor-power in the commodity market, this is mediated by circulation. Not in the circulation sphere, because circulation merely initiates the process of valorization, which actually happens in the production sphere. And so “tout pour le mieux dans le meilleur des mondes possibles.”^{xi}

When the capitalist transforms money into the commodities that serve as the ingredients of a new product, or the components of the labor process, that is, when he incorporates living labor-power into their dead objecthood, he transforms value—past, objectified, dead labor—into capital: self-valorizing value, a live monster that begins to “work” “as if its body were possessed by love.”^{xii}

To put this in terms of a comparison, the valorization process is nothing more than a process of creating value that has been extended past a certain point. If value is created only to the point where the value of the labor-power purchased by capital is replaced by a new equivalent, then what has occurred is simply the process of creating value. When the process runs past this point, it becomes the valorization process.

Now let's compare the process of creating value with the labor process. The latter is made up of actual labor that produces use-values. We view its movement qualitatively, focusing on how the specific labor that it involves is carried out—on its purpose and content. But the same labor process is represented differently in the context of the process of creating value, or only in quantitative terms. All that matters is how much time labor takes to perform its task, in other words, the length of the time during which labor-power is expended. Here, the various commodities that enter into the labor process don't count for something as the functionally defined, material factors of labor-power that is activated for a particular purpose. They count for something only as definite quantities of objectified labor. Whether labor was already objectified in the means of production or has been freshly added by living labor-power, it counts for something only in terms of time. It amounts to x number of hours, days, and so on.

Of course, labor counts for something here only insofar as the time spent producing a use-value is socially necessary. Several things follow from this. Labor-power must function under normal conditions. If the spinning machine has become a society's dominant means of labor for spinning, one can't hand a worker a spinning wheel. Nor can he be given material that constantly comes apart instead of standard-quality cotton. In both cases, he would need more than the socially necessary labor-time to produce a pound of yarn, and the extra time wouldn't generate value or money. Yet whether the things needed for the labor process meet society's

standards depends on the capitalist, not the worker. Another requirement is the normal character of labor-power. Whatever area the owner of labor-power specializes in, he must display what is at the time the average level of skill, dexterity, and speed. Our capitalist does in fact buy labor-power of normal quality in the labor market. But this labor-power has to be expended with the usual degree of exertion, the socially average degree of intensity. Thus our capitalist monitors the worker's effort anxiously, making sure that he doesn't waste any time not working. The capitalist buys labor-power for a limited amount of time, and he insists on getting what is his. He won't let anyone steal from him. Nor will he allow the raw material and means of labor he's purchased to be consumed impractically—he has his own *code pénal* for such infractions, because squandered materials and means of labor represent quantities of objectified labor that have been expended without gain. They don't count for something in—i.e., go into—the product of the value-creating process.¹⁸

18. This is one of the circumstances that make production based on slavery more expensive. Here, as the ancients' apt phrase has it, what distinguishes a worker from an animal is only that he is an *instrumentum vocale*, whereas an animal is an *instrumentum semi-vocale*, and the same goes for the distinction between the worker and dead equipment, the *instrumentum mutum*. The worker himself makes the animals and equipment feel that he is a human being and therefore different from them. He gains this sense of standing apart from them by mistreating and ruining them *con amore*. And so in this mode of production, one of the guiding economic principles is to use only the roughest and most ungainly equipment, which is hard to destroy precisely because of how tough and durable it is. Hence, up until the beginning of the Civil War, one could find in slave states bordering on the Gulf of Mexico ploughs built according to the ancient Chinese model—ploughs that could turn the soil in the manner of a mole or pig but couldn't split it into furrows. See J. E. Cairnes, "The Slave Power. London 1862," p. 46ff. In his "Sea Bord Slave States," Olmsted recounts, among other things, "I am here shewn tools that no man in his senses, with us, would allow a labourer, for whom he was paying wages, to be encumbered with; and the excessive weight and the clumsiness of which, I would judge, would make work at least ten percent greater than with those ordinarily used with us. And I am assured that, in the careless and clumsy way they must be used by the slaves, anything lighter or less rude could not be furnished them with good economy, and that such tools as we constantly give our labourers, and find our profit in giving them, would not last out a day in a Virginia cornfield—much lighter and more free from stones though it be than ours. So, too, when I ask why mules are so universally substituted for horses on the farm, the first reason given, and confessedly the most conclusive one, is that horses cannot bear the treatment that they always must get from the negroes; horses are always soon foundered or crippled by them, while mules will bear cudgelling, or lose a meal or two now and then, and not be materially injured, and they do not take cold or get sick, if neglected or overworked. But I do not need to go further than to the window of the room in which I am writing, to see at almost any time, treatment of cattle that would insure the immediate discharge of the driver by almost any farmer owning them in the North." [Editor's note: The source text is Frederick Law Olmsted's *A Journey in the Seaboard Slave State; With Remarks on their Economy*, 1856.]

In analyzing the commodity, we distinguished between labor in its capacity as the producer of use-value and the same labor in its capacity as the producer of value. We see that this distinction returns here, only now it is represented as the difference between the two sides of the production process.

As the unity of the labor process and the process of creating value, the production process is the process of producing commodities. As the unity of the labor process and the valorization process, it is the capitalist process of production—the capitalist form of commodity production.

As noted earlier, it doesn't matter in the process of valorization whether the labor appropriated by the capitalist is simple, socially average labor or complex labor, which is highly specialized, weightier labor. Labor that counts as complex labor, as opposed to socially average labor, results from using labor-power whose training costs are higher. It takes more labor-time to produce such labor-power, which thus has more value than its simple counterpart. With its higher value, this labor-power is expressed as higher labor and, when active for the same amount of time, it will be objectified in a proportionally greater amount of value. But however different the level of skill involved in spinning and, say, jewelry making, there is no qualitative difference between the labor with which the jeweler merely replaces the value of his own labor-power and the additional portion that creates surplus-value. Here as elsewhere, surplus-value is generated only by producing a quantitative excess—i.e., extending the duration of the same labor process, yarn production in the one case and jewelry making in the other.¹⁹

19. In part, the distinction between higher and simple labor, or “skilled” and “unskilled labor,” rests on mere illusions, or at the very least on differences that long ago ceased to be real and still exist only due to tradition or convention. In part, the distinction is based on the comparatively helpless condition of certain strata of the working class, as a result of which their members can't insist on getting the value of their labor-power. Accidental factors can play such a great role that the two kinds of labor occasionally switch places. For example, where the physical substance of the working class has been weakened and worn down, relatively speaking, as is the case in all countries with advanced capitalist production—here, strenuous jobs that require a great deal of physical strength wind up standing above ones that require more refined labor, and the latter sink to the level of unskilled labor. Hence in England the position of a bricklayer ranks well above that of damask-weaver. Yet at the same time, the job of fustian cutter counts as “simple” labor, even though it demands great physical strength and damages a worker's health. Nor should we imagine that so-called “skilled labor” makes up a large part of the national labor force. Laing has calculated that in England (and Wales) 11 million people earn their livelihood doing simple labor. When he arrived at this figure, the total population there numbered 18,000,000. If we subtract one million for the “genteel population,” and a million and a half for the paupers, vagabonds, criminals, prostitutes and so on, we get 4,650,000 members of

On the other hand, complex labor must be reduced to socially average labor in every process of creating value. For example, one day of complex labor must be reduced to x days of simple labor.²⁰ The assumption we have been making, that the worker the capital employs is performing simple socially average labor, merely lets us avoid an unnecessary operation and simplifies our analysis.

the middle class, including small pension-holders, civil servants, writers, artists, teachers, and so on. To come up with this figure of $4\frac{2}{3}$ million, Laing counts among the working part of the middle-class population not only bankers, but the better-paid "factory workers," too! Also included among these "high-powered workers" are bricklayers. And so Laing is left with the 11 million people already mentioned (S. Laing, *National Distress* etc. London 1844). "The great class, who have nothing to give for food but ordinary labour, are the great bulk of the people" (James Mill in *Art. "Colony:" Supplement of the Encyclop. Brit.* 1824).

20. "Where reference is made to labour as a measure of value, it necessarily implies labour of one particular kind . . . the proportion which the other kinds bear to it being easily ascertained" (*Outlines of Polit. Economy* London 1832," pp. 22, 23).