

Capital

CRITIQUE OF POLITICAL ECONOMY
VOLUME 1

Karl Marx

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The General Law of Capitalist Accumulation

1. The Demand for Labor-Power Increases When Accumulation Occurs, if the Composition of Capital Stays the Same

When capital increases, this implies that its variable component, the part that becomes labor-power, increases as well. Part of the surplus-value that has been turned into surplus capital has to be reverse-transformed into variable capital—that is, an addition to the labor fund. Let's assume that all conditions remain the same, including the composition of capital: it always takes the same amount of labor-power to set a given amount of the means of production (or constant capital) in motion. If this is so, then both the demand for labor and the workers' subsistence fund will clearly increase in the same proportion as the capital, and the faster the capital grows, the faster they will grow.

The capital produces surplus-value each year, part of which is added each year to the original capital. This addition itself becomes larger each year as the amount of the capital already functioning increases. And, moreover, the scale of accumulation can expand suddenly due to a simple change in how the surplus-value or surplus product is divided between capital and revenue, something that tends to occur when the drive for wealth is stimulated in special ways, such as when new markets or new spheres of investment open up as a result of newly developed social wants and needs. For all these reasons, capital's accumulation requirements can exceed the amount by which labor-power increases (or by which the number of workers does), and the demand for workers can exceed the labor supply, causing wages to rise. Complaints about higher wages resounded in England during the entire first half of the eighteenth century. But the

more or less favorable circumstances in which wage laborers maintain themselves and multiply do nothing to alter how, at bottom, capitalist production works. Just as simple reproduction continuously reproduces the capital relation itself, with capitalists on one side facing wage laborers on the other, so, too, reproduction on an ever-larger scale—in other words, accumulation—reproduces the capital relation on an ever-larger scale, with more or bigger capitalists on one side facing more wage laborers on the other. Labor-power, which has to be continuously incorporated into capital as a means of valorization, can't twist free of capital—its bondage under capital is merely concealed because workers sell their labor-power to a succession of different capitalists; and we have already seen that in fact the reproduction of labor-power constitutes a core aspect of capital's accumulation. The accumulation of capital is therefore the propagation of the proletariat.¹

We have mentioned how well classical political economy understood this principle: so well that Adam Smith, Ricardo, and others mistakenly treated accumulation as what occurs when productive workers consume the entire capitalized part of the surplus product—i.e., when the surplus product is transformed into additional wage laborers. As early as 1696, John Bellers wrote, “If one had a hundred thousand acres of land, and as many pounds in money, and as many cattle, without a labourer, what would the rich man be, but a labourer? As the labourers make men rich, so the more labourers, there will be the more rich men . . . the labour of the poor being the mines of the rich.”² And here is Bernard de Mandeville at the beginning of the eighteenth century: “It would be easier, where property was well

1. Karl Marx op. cit. [Editor's note: Marx is referring readers to his 1849 lecture “Wage Labor and Capital (Lohnarbeit und Kapital),” which can be found in English translation in *MECW*, vol. 9, pp. 197–228.] “With equal oppression of the masses, the more proletarians a country has, the richer it is” (Colins, “L'économie politique. Source des Révolutions et des utopies prétendues Socialistes. Paris, 1857.” Vol. 3, p. 331). The economic meaning of “proletarian” must be seen as nothing other than “wage laborer,” the person who valorizes capital and is put out onto the street the moment that “Monsieur Capital,” to speak with Pecqueur, no longer needs him for this. “The sickly proletarian of the primeval forest” is a neat Roscherian phantom. The primeval forest dweller owns the primeval forest. He uses it as his property, encountering as few obstacles here as an orangutan. Thus he isn't a proletarian. He would be one only if the primeval forest were to exploit him instead of being exploited by him. As for the state of his health, such a person would stack up well against not only the modern proletarian, but also the syphilitic and scrofulous “quality.” But Mr. Roscher is no doubt thinking of his native heath of Luneberg when he speaks of a “primeval forest.”

2. John Bellers op. cit. p. 2.

secured, to live without money than without poor; for who would do the work? . . . As they [the workers] ought to be kept from starving, so they should receive nothing worth saving. If here and there one of the lowest class, by uncommon industry, and pinching his belly, lifts himself above the condition he was brought up in, no body ought to hinder him; nay it is undeniably the wisest course for every person in the society, and for every private family to be frugal; but it is the interest of all rich nations, that the greatest part of the poor should almost never be idle, and yet continually spend what they get. . . . Those that get their living by their daily labour have nothing to stir them up to be serviceable but their wants, which it is prudence to relieve, but folly to cure. The only thing then that can render the labouring man industrious, is a moderate quantity of money, for as too little will, according as his temper is, either dispirit or make him desperate, so too much will make him insolent and lazy. . . . From what has been said it is manifest, that in a free nation where slaves are not allowed of, the surest wealth consists in a multitude of laborious poor; for besides that they are the never-failing nursery of fleets and armies, without them there could be no enjoyment, and no product of any country could be valuable. To make the society [which of course consists of nonworkers] happy and people easy under the meanest circumstances, it is requisite that great numbers of them should be ignorant as well as poor. Knowledge both enlarges and multiplies our desires, and the fewer things a man wishes for, the more easily his necessities may be supplied.”³ What Mandeville, an honest and intelligent man, hadn’t yet grasped is that the very mechanism of the accumulation process increases not only the amount of capital but along with it the number of the “labouring poor”—i.e., the wage laborers who transform their labor-power into the increasing capital’s growing power to valorize itself and are thereby forced to perpetuate their relationship of dependence with their own product, which is personified in the figure of the capitalist. In his *The State of the Poor, or an History of the Labouring Classes in England*, Sir Frederic Morton Eden remarks about this relationship, “The natural produce of our soil is certainly not fully adequate to our subsistence; we can neither be clothed, lodged, nor fed, but

3. Bernard de Mandeville, “The Fable of the Bees. 5th ed. London, 1728,” Remarks pp. 212, 213, 328. “Temperate living and constant employment is the direct road, for the poor, to rational happiness [which the author takes to mean the longest possible workdays and the smallest possible amount of the worker’s means of subsistence]; and to riches and strength for the state [that is, for the landowners, capitalists, and their political dignitaries, and agents]” (“An Essay on Trade and Commerce. Lond. 1770,” p. 54).

in consequence of some previous labour. A portion, at least, of the society must be indefatigably employed. . . . There are others who, though they ‘neither toil nor spin,’ can yet command the produce of industry, but who owe their exemption from labour solely to civilization and order. They are peculiarly the creatures of civil institutions,⁴ which have recognized that individuals may acquire property by various other means beside the exertion of labour. Persons of independent fortune owe their superior advantages by no means to any superior abilities of their own, but almost entirely to the industry of others. It is not the possession of land, or of money, but the command of labour which distinguishes the opulent from the labouring part of the community. . . . What speaks to labourers is not an abject or servile condition, but a state of easy and liberal dependence, which gives the people of property sufficient influence and authority over those who are here supposed to be employed to work for them. . . . As all who know human nature, and its history, will allow, such a state is necessary for the labourers’ own comfort.”⁵ Let us note in passing that Sir F. M. Eden was the only one of Smith’s students who had achieved something of significance by the end of the eighteenth century.^{6,i}

4. Eden should have asked, Who created these “civil institutions”? From the standpoint he adopts, which is that of juridical illusion, he doesn’t see the law as the product of the material relations of production; instead he sees the relations of production as the product of the law. Linguet discredited Montesquieu’s benighted “*Esprit des lois*” with one word: “*L’esprit des lois, c’est la propriété.*”

5. Eden op. cit. Vol. 1, Bk I, Ch. 1, pp. 1–2 and Preface.

6. If this reminds readers of Malthus, whose “*Essay on Population*” appeared in 1798, let me remind them that in its original form, that work does nothing more than plagiarize Sir James Steuart, Townsend, Franklin, Wallace, and so on in the most juvenile, superficial, sermonizing manner. Not a single one of its propositions comes from Malthus himself. Furthermore, let me remark in passing that although Malthus was a parson in the Church of England, he took the monastic vow of celibacy, which is one of the requirements for holding a fellowship at Protestant Cambridge University. “*Socios collegiorum maritos esse non permittimus, sed statim postquam quis uxorem duxerit, socius collegii desinat esse*” (“*Reports of Cambridge University Commission*,” p. 172). [Editor’s note: The Latin sentence here means: “Marriage for fellows is not permitted, but when they take a wife they will immediately no longer be a member of the University.” Translation is from Bridget Duckenfield, *College Cloisters—Married Bachelors* (Newcastle: Cambridge Scholars Publishing, 2014), p. 37.] This circumstance distinguishes Malthus from the Protestant clerics who sloughed off the Catholic stricture of the priest’s celibacy vow and made the injunction “Be fruitful and multiply” into their special Biblical mission, so much so that their contributions to population growth were indecently large, even as they preached “the principle of population” to workers. And thus Malthus makes the better impression here. It is telling that the economically travestied Original Sin, the apple of Adam, the “urgent appetite,” the “checks which tend to blunt the shafts of Cupid,” as Parson Townsend jauntily put it—it is telling that this sensitive question was and is monopolized by the representatives of

Protestant theology, or rather, the Protestant Church. With the exception of the Venetian monk Ortes, an original and intelligent writer, most population theorists have been Protestant clergymen. Take, for example, Bruckner's "Theorie du Système animal" (Leyden, 1767), which deals with modern population theory in its entirety, drawing, in doing so, on ideas supplied by the short-lived debate between Quesnay and his student the elder Mirabeau, then by Parson Wallace, Parson Townsend, Parson Malthus and his student the arch-Parson Chalmers, to say nothing of the lesser clergymen scribblers in this line. Political economy was originally driven by philosophers such as Hobbes, Locke, and Hume and businessmen and statesmen such as Thomas More, Temple, Sully, De Witt, North, Law, Vanderlint, Cantillon, and Franklin, while the theoretical aspects were studied with the greatest success by medical men such as Petty, Barbon, Mandeville, and Quesnay. As late as the middle of the eighteenth century, the Rev. Mr. Tucker apologized for occupying himself with mammon. Later on, and in fact when the "population principle" was introduced, the hour of the Protestant parsons arrived. Petty, who treated population as a source of wealth and, like Adam Smith, was a vocal critic of the parsons, once spoke as if he could foresee their inept interference: "that Religion best flourisheth when the Priests are most mortified, as was before said of the Law, which best flourisheth when lawyers have least to do." And so he tells the Protestant priests that if they won't truly follow the Apostle Paul and "mortify" themselves by celibacy, "not to breed more Churchmen than the Benefices as they now stand shared out, will receive; that is to say, if there be places for about twelve thousand in England and Wales, it will not be safe to breed up 24,000 Ministers, for then the twelve thousand which are unprovided for, will seek ways how to get themselves a livelihood; which they cannot do more easily than by persuading the people, that the twelve thousand incumbents do poison or starve their souls, and misguide them in their way to Heaven" (Petty, "A Treatise of Taxes and Contributions. Lond. 1667," p. 57). The following statement evokes Adam Smith's position among the Protestant priesthood of his time. In "A Letter to A. Smith, L.L.D. On the Life, Death, and Philosophy of His Friend, David Hume. By One of the People Called Christians, 4th ed. Oxford, 1784," Dr. Horne, Bishop of Norwich, censures Smith for what he did in an open letter written to Mr. Strahan: he "embalmed his friend David" (i.e., Hume) because he told the world how "in his last hours" Hume "read Lucian" and played "at Whist." Furthermore, Smith even had the impudence to write, "I have always considered Mr Hume, both in his life-time, and since his death, as approaching as nearly to the idea of a perfectly wise and virtuous man, as perhaps the nature of human frailty will permit." The bishop exclaims indignantly, "Is it right in you, Sir, to hold up to our view, as 'perfectly wise and virtuous,' the character and conduct of one, who seems to have been possessed with an incurable antipathy to all that is called Religion; and who strained every nerve to explode, suppress and extirpate the spirit of it among men, that its very name, if he could effect it, might no more be had in remembrance?" (ibid. p. 8). "But let not the lovers of truth be discouraged, Atheism cannot be of long continuance" (p. 17). Adam Smith had "the atrocious wickedness of diffusing atheism through the land [namely, through his "Theory of moral sentiments"]. . . Upon the whole, Doctor, your meaning is good; but I think you will not succeed, this time. You would persuade us, by the example of David Hume, Esq; that atheism is the only cordial for low spirits, and the proper antidote against the fear of death. . . Smile over Babylon in ruins and congratulate the hardened Pharoah on his overthrow in the Red Sea!" (ibid. pp. 21-22). One orthodox thinker among Smith's college friends wrote after he died, "Smith's well placed affection for Hume, as a man, hindered him from being a Christian. . . He would believe almost anything Hume said. If he had said that the moon is made of green cheese, Smith would have believed him. Thus Smith believed him when

The conditions of accumulation we have been presupposing are comparatively good for workers. In fact, under these conditions the workers' relation with capital—their relationship of dependence—is dressed in bearable forms, or, as Eden says, “easy and liberal” ones. Instead of becoming more intense as capital increases, this relation merely becomes more extensive—capital's sphere of exploitation and domination merely expands when capital itself is enlarged, and the number of its wage laborers increases. In the form of the means of payment, a bigger part of the worker's own constantly increasing surplus product comes back to him from the surplus capital into which that product is continuously being transformed. This enables workers to extend the range of their enjoyments, add to their fund for the consumption of clothes, furniture, etc., and build up a modest reserve fund of cash. But such things don't wipe away the wage laborer's relationship of dependence and his exploitation any more than better clothes, food, and treatment, and a larger *peculium*, do that for the slave.ⁱⁱ When the price of labor rises as a result of the accumulation of capital, this says only that the weight and length of the golden chain the worker has already forged for himself allow him to loosen it just a bit. The essential point here, namely, the *differentia specifica* of capitalist production, has been mostly overlooked in the debates about this question. The capitalist doesn't buy labor-power to satisfy one of his personal wants or needs with a service or product that the labor-power brings about. His aim is to valorize his capital, to produce commodities containing more labor than he has to pay for, so that a component of their value costs him nothing yet is realized when the commodities are sold. The production of surplus-value—that is, profitmaking—is the absolute law of this mode of production. Labor-power can be sold only insofar as it preserves the means of production as capital, reproduces its own value as capital, and in unpaid labor provides a source of surplus capital.⁷ Whether the worker

he said that there is no good and no miracles. . . . He approached to republicanism in his political principles” (“The Bee.” By James Anderson. Eighteen Vols., Edinb. 1791–93). [Editor's note: More a paraphrase than a direct translation or quotation—the source text claims that Smith was generally impressionable, not simply so with regard to Hume. Had Smith, it claims, “been a friend of the worthy ingenious Horrox, he would have believed that the moon sometimes disappeared in a clear sky without the interposition of a cloud.” Jeremiah Horrox (1618–1641) was an English astronomer known for his bold theories about the moon's orbit.] Parson Thomas Chalmers suspected that Smith created the category “unproductive laborers” out of pure ill-will, or so that he could put the Protestant parsons in it, despite their blessed work in the Lord's vineyard.

7. Note added to the second edition: “The limit, however, to the employment of both the operative and the labourer is the same; namely, the possibility of the employer

sells his labor-power more or less advantageously, the conditions of its sale imply that it has to be resold continuously and that wealth is reproduced as capital on an ever-larger scale. As we have seen, the nature of wage labor is such that the worker must always supply a certain quantity of unpaid labor. Even if we disregard the scenario where wages rise while the price of labor falls, a rise in wages indicates at best a merely quantitative decrease in the amount of unpaid labor the worker has to perform. The decrease can never reach the point where it seriously threatens the capitalist character of the production process and the reproduction of its basic conditions, namely, the means of production and subsistence existing as capital on one side and labor-power as a commodity on the other side—or, the capitalist existing on one side of the capital relation and the wage laborer on the other. Apart from violent conflicts over the rate of wages, and Adam Smith has shown that the master generally remains the master when these occur, an increase in labor's price caused by the accumulation of capital implies the following alternatives. Either: as prices rise, or after they have risen, the absolute growth of accumulation increases by an equal or even greater amount. We know that even when all other circumstances (e.g., how productive labor is) remain the same, the magnitude of the advanced capital can grow, and its absolute growth can stay constant, or even accelerate, while the rate of accumulation falls—we saw this in section 3 of chapter 9. We also know that the amount of surplus-value can remain the same and in fact increase even as the rate of surplus-value falls, as long as the number of workers being exploited at the same time increases. Here it would be tautological to say that labor-power's reduced exploitation doesn't prevent capital from extending its domination. Or: we have the other alternative, and accumulation slackens because the price of labor rises, dulling the spur of profit. Accumulation decreases, but when this happens, the very circumstance that caused it to decrease disappears, namely, the disproportion between capital and exploitable labor-power. As a result, the price of labor decreases, returning to a level where it aligns with capital's valorization requirements. It hardly follows, then, that wages have to fall to their minimum level, or to the level where they were before the price of labor rose. The mechanism of the capitalist production process thus clears away the obstacles it temporarily creates for itself. One can see that in the first case, excess capital doesn't arise

realizing a profit on the produce of their industry. If the rate of wages is such as to reduce the master's gains below the average profit of capital, he will cease to employ them, or he will only employ them on condition of submission to a reduction of wages" (John Wade *cit.* p. 241).

because of a decrease in the rate at which labor-power, or the number of workers, increases, either absolutely or in relative terms. Rather, the reverse happens: the amount of exploitable labor-power becomes insufficient because capital increases. In the second case, the amount of capital doesn't become insufficient because the amount of labor-power or the size of the working population increases, whether in absolute or relative terms, at a faster rate. Rather, the reverse happens: the amount of exploitable labor-power, or rather, its price, becomes excessive because the amount of capital decreases. These absolute movements in the accumulation of capital are reflected as relative movements in the amount of exploitable labor-power, and thus they appear to be produced by the latter's movements. When commodity prices generally fall during the crisis phase of the industrial cycle, this decrease is thus expressed as an increase in the relative value of money, and when commodity prices generally increase during the prosperity phase, the rise is expressed as a decrease in money's relative value. The so-called Currency School took from this that when prices are high, too much money is circulating, and when prices are low, too little money is. Their ignorance and complete misunderstanding of the facts⁸ find worthy analogues in the political economists who interpret the aspects of accumulation discussed above in such a way that in the one case, there aren't enough wage laborers, and in the other, there are too many of them. Mystified to the point of becoming a natural law, the law of capitalist accumulation in fact expresses that the nature of capitalist accumulation precludes all decreases in the exploitation of labor and increases in labor's price large enough to seriously jeopardize the constant reproduction of the capital relation and its reproduction on an ever-larger scale. It can't be otherwise in a mode of production where the worker is there to satisfy the valorization requirements of existing value instead of the reverse, where objective wealth would be there to provide the worker with what he needs for his human development. In the realm of religion, people are ruled by a product of their own heads, and it is just so in capitalist production, except that here people are ruled by the products of their own hands.⁹

8. See Karl Marx, "Zur Kritik der politischen Oekonomie," p. 165ff. [Editor's note: English translation, *A Contribution to the Critique of Political Economy*, in *MECW*, vol. 29, pp. 412ff.]

9. Note added to the second edition: "If we now return to our first investigation, where we demonstrated . . . that capital itself is merely a product of human labor. . . . it seems utterly incomprehensible that a person can have come to be dominated by his own product, capital, and can be subordinated to it; and since in reality this is inarguably the case, we are

2. Variable Capital Decreases in Relative Terms during the Course of Accumulation and the Concentration that Accompanies It

What we have explicated so far holds if we presuppose that in the course of accumulation, no change occurs in the ratio between the amount of the means of production and the amount of labor-power moving them—i.e., the demand for labor and capital's growth increase proportionally. In his analysis of accumulation, Adam Smith treats this presupposition as a self-evident axiom. What he overlooks is that as accumulation takes place, a revolution occurs in the ratio between the means of production and the labor-power that moves them. This revolution is reflected in the changing composition of capital's value, that is, in the varying ratio between the capital's constant and variable components, or between the value components that are turned into the means of production and labor-power. I call this composition capital's "organic composition."

If we set aside natural conditions such as the fertility of the soil, and also the skill of the producers working independently of and apart from one another, something that, in any case, manifests itself more in the quality of the product produced than its quantity, the degree of labor's social productivity is expressed as the relative amount of the means of production that a worker turns into products when he activates his labor-power for a given amount of time at a given level of intensity. When the productivity of his labor increases, he works with a greater amount of the means of production. These means play a double role here: that of the result and the condition of labor's growing productivity. The amount of some means of production increases because labor's productivity does, while the amount of others has to increase before labor's productivity can. When the division of labor emerged in the manufacturing workshop, and machines were introduced, a greater quantity of raw material was worked on in the same amount of time: a greater quantity of raw material and auxiliary materials entered the labor process as a consequence of labor's enhanced productivity. On the other hand, a certain amount of machines, beasts of burden, mineral manures, drainpipes, and such things has to be in place in order for labor's productivity to increase, as does a certain amount of the means of production concentrated in buildings, giant fur-

forced to ask: How could the worker go from being the master of capital—as its creator—to being its slave?" (Von Thünen, "Der isolirte Staat. Part II, Section 2, Rostock 1863," pp. 5, 6). Thünen deserves credit for posing this question. But his answer is downright childish.

nances, the means of transport, etc. But labor's increased productivity is expressed as a greater amount of the means of production relative to the labor-power incorporated into them, whether the new amount arises as a condition or consequence of that increased productivity, which thus also appears as a decrease in the amount of labor relative to the amount of the means of production moved by labor, or as a reduction in the subjective factor of the labor process as compared with its objective factors

The increase in the amount of the means of production relative to the amount of labor-power that moves them is reflected in the fact that the constant capital's share of the total capital value increases at the expense of the variable capital's share. Suppose a mass of capital was at first divided equally: 50% went into the means of production, and 50% went into labor-power. But then labor's productivity increased, causing the capital to be redistributed. Now 80% of the capital goes into the means of production, and 20% goes into labor-power. This reduction of the variable part relative to the constant part, or the altered constitution of the capital value, is only an approximate expression of how the constitution of its material components has changed. Take, for example, the spinning industry. If $\frac{7}{8}$ of the value currently spent here is constant capital, and $\frac{1}{8}$ is variable capital, whereas at the beginning of the eighteenth century, $\frac{1}{2}$ of the capital was constant and $\frac{1}{2}$ variable, the amount of raw materials and means of labor now consumed productively by a given amount of spinning labor is many hundreds of times as much it was back then. The reason for this is simple. The amount of the means of production consumed increases when labor's productivity does, but the value of those means decreases relative to how much of them there are: their value increases in absolute terms but not in proportion to their mass. So the difference between the constant capital's share of the total capital and the variable capital's share increases much less than the difference between the amount of the means of production that the constant capital is turned into and the amount of labor-power the variable capital is spent on. The former difference increases as the latter does, but to a much smaller degree.

In part 4 of this work, we showed that labor's social productive power requires cooperation on a large scale in order to develop—that it is only when this precondition is met that the division and combination of labor can be organized; the means of production can be used more economically as a result of their massive concentration; means of labor physically suited only for collective use—for example, systems of machines—can be brought into being; enormous natural forces can be pressed into the service of production; and the production process can be successfully transformed into

the technological application of scientific knowledge. There is only one way this precondition can be realized in the context of commodity production, where the means of production belong to private persons, and artisans either make commodities as isolated and independent producers or, lacking the means needed for independent production, sell their labor-power as a commodity. Namely, it can arise only when individual masses of capital are enlarged, or only in proportion to the extent to which the social means of production and subsistence are transformed into the private property of capitalists. Functioning as a foundation, commodity production can support just one form of production on a large scale: the capitalist form. A certain accumulation of capital in the hands of individual commodity producers therefore constitutes the necessary precondition for the specific capitalist mode of production. Hence when we examined the transition from craft labor to capitalist industry, we had to presuppose such accumulation. We can call this “original accumulation,” since it is the historical foundation, not the historical result, of specifically capitalist production. For the moment, we don’t need to examine how such accumulation emerged: it’s enough to establish that this original accumulation represents the starting point. But since all the methods for increasing labor’s social productive power that develop on this basis are simultaneously methods for increasing the production of surplus-value or surplus product, the constitutive element of accumulation, these methods are also ways of using capital to produce capital, or of accelerating its accumulation. The continuous reverse-transformation of surplus-value into capital is now expressed as the increasing magnitude of the capital that goes into the production process. This in turn becomes the foundation for production on an expanded scale, the attendant methods for increasing labor’s productive power, and the accelerated production of surplus-value. If a certain level of capital’s accumulation therefore appears as a precondition for the specifically capitalist mode of production, that mode of production reacts back on the accumulation of capital, causing it to accelerate. Thus when the accumulation of capital develops, so does the specifically capitalist form of production, and when the specifically capitalist form of production develops, so does the accumulation of capital.

Individual masses of capital are larger or smaller concentrations of the means of production, and, accordingly, command larger or smaller armies of workers. Every instance of accumulation becomes the means by which accumulation occurs anew. As it enlarges the amount of wealth functioning as capital, accumulation increases the concentration of that wealth in the hands of individual capitalists. It thereby extends the

foundation of production on a larger scale and also specifically capitalist methods of production. The growth of society's capital takes place through the growth of many individual masses of capital. If all other conditions remain the same, individual masses of capital increase, and the concentration of the means of production increases along with them, in proportion to their size as fractional parts of society's total capital. At the same time, offshoots become detached from the original capital and begin to function as new and independent masses of capital. Among other factors, the division of wealth within capitalist families plays an important role here. As capital accumulates, the number of capitalists thus increases to a greater or lesser extent. Two points are central to this kind of concentration, which is directly based on accumulation—or better, is the same thing as accumulation. First, the growing concentration of society's means of production in the hands of individual capitalists will be limited by the rate at which society's wealth grows, as long as all other conditions stay the same. Second, the share of society's capital located in each individual sphere of production is divided among many capitalists, whose relation to one another is that of competing independent commodity producers. What happens, then, isn't simply that accumulation and the concentration that goes with it are scattered over many points; new masses of capital form and old ones are split up, which halts the growth of functioning masses. If, on the one hand, accumulation presents itself as the increasing concentration of both the means of production and the command over labor, it also presents itself as many individual masses of capital being repelled from one another.

This fragmentation of society's total capital into many individual masses of capital, or the repulsion of its fractional parts from one another, is counteracted by their attraction. We are no longer dealing with the simple concentration of the means of production and the command over labor that is identical to accumulation. Rather, we have here the concentration of masses of capital that have already been formed, which means that these masses lose their independence. Capitalists expropriate other capitalists, and many smaller masses of capital are transformed into fewer larger ones. This process differs from simple concentration in that it presupposes only changes in how the already available and functioning masses of capital are distributed. Thus its field of activity isn't limited by the absolute growth of society's wealth, or, that is, the absolute limits of accumulation. Capital burgeons into large quantities in a single set of hands in one place because many sets have lost it elsewhere. This is concentration proper as opposed to accumulation.

We aren't yet in position to explicate the laws of such concentration—i.e., the laws of how capital attracts capital. For now, a few brief factual points will suffice. The battle of competition plays out as the production of cheaper commodities. Cheaper commodities depend, *caeteris paribus*, on labor's productivity, which in turn depends on the scale of production.ⁱⁱⁱ Hence the larger masses of capital defeat the smaller ones. Moreover, we will recall that as the capitalist mode of production becomes more advanced, the minimum amount of individual capital needed to run a business (under its normal conditions) increases. The smaller masses of capital therefore throng to spheres of production that large-scale industry has taken control of only partially or controls only sporadically. Here competition rages in direct proportion to the number of rival masses of capital, while its intensity is inversely proportional to their size. The battles always end with the demise of many small capitalists and with their masses of capital winding up in the pockets of the winner. Aside from this, a new force emerges as capitalist production takes shape: the credit system. Not only does it become a powerful weapon in the fight that is competition, but using invisible threads, it reels in money resources that are strewn over the surface of society in larger or smaller amounts, putting them into the hands of individual or associated capitalists. It functions as special machinery for bringing about the concentration of capital.

The concentration of individual masses of capital, or the process whereby they are brought together, becomes more intense in proportion to how much the specific capitalist mode of production develops as accumulation does. Concentration, for its part, becomes one of the powerful mechanisms of their development, at once shortening and accelerating the transformation of scattered production processes into socially combined ones that are carried out on a large scale.

The increasing size of individual masses of capital becomes the material basis for permanently revolutionizing the mode of production. The capitalist mode of production continuously conquers branches of labor that hadn't yet been brought under its rule at all, or that had been brought under it only sporadically, or formally. Meanwhile, new branches of labor grow from the soil of such production, thus belonging to it from the start. And, finally, in the branches of labor already being run in the capitalist way, labor's productivity ripens as though in a hothouse. In all these cases, the number of workers falls relative to the amount of the means of production the workers work with and on. The share of capital transformed into means of production keeps increasing; the share transformed into labor-power keeps decreasing. As the means of production become larger

and more concentrated, and their technological efficiency increases, they function less and less as means of employing workers. A steam plow is a vastly more efficient means of production than a regular plow, but, compared with what it would be if it were realized in regular plows, the capital value that goes into the steam version is a vastly smaller means for putting people to work. At first, it is precisely adding new capital to old capital that makes it possible to enlarge the objective factors required by a production process and bring about their technological transformation. But soon the changed composition and new technology take control, to a greater or lesser extent, of all the old capital that has reached the point where it is due to be reproduced and thus replaced. Like concentration, this metamorphosis of the old capital is to some degree independent of how much society's capital grows in absolute terms. But concentration, which merely redistributes the social capital that already exists, fusing many masses of capital into one large mass, also functions here as a powerful agent in transforming old capital.

The additional capital that forms in the course of accumulation attracts fewer and fewer workers relative to its magnitude, while, at the same time, the old capital reproduced in a new composition repels more and more of the workers it formerly employed.

3. The Progressive Production of a Relative Surplus Population or an Industrial Reserve Army

The accumulation of capital, which earlier appeared merely as a quantitative enlargement, occurs, as we have seen, when capital's composition keeps changing qualitatively—i.e., when its constant part keeps increasing at the expense of its variable part.^{iv}

The specifically capitalist mode of production, the development of labor's productive power that goes with it, and the change in capital's organic composition caused by increased productive power don't simply match strides with the progress of accumulation, or the growth of society's wealth. They advance at a much faster rate because as simple accumulation occurs and the total capital thus increases in absolute terms, that capital's individual elements become increasingly concentrated, and because the technological transformation of the surplus capital is accompanied by the technological transformation of the original capital. As accumulation advances, then, the ratio between constant and variable capital is transformed. If it was originally 1:1, it becomes 2:1, 3:1, 4:1, 5:1, 7:1, etc. So as a mass of capital increases, less than $\frac{1}{2}$ of its total value will be turned into

variable capital, and the share spent on labor-power will become progressively smaller, going from $\frac{1}{3}$ to $\frac{1}{4}$, $\frac{1}{5}$, $\frac{1}{6}$, $\frac{1}{8}$, and so on, while, in contrast, $\frac{2}{3}$, $\frac{3}{4}$, $\frac{4}{5}$, $\frac{5}{6}$, $\frac{7}{8}$ of the capital is transformed into the means of production. Because the demand for labor is determined by the magnitude of capital's variable part, not the total capital, this demand becomes progressively smaller as the total capital increases, instead of increasing in proportion to it, which is what we presupposed earlier. The demand for labor falls relative to the magnitude of the total capital as that magnitude increases, and it falls at an accelerated rate. Of course, when the total capital is enlarged, its variable component, the labor-power incorporated into it, is as well, but in a proportion that keeps getting smaller. One result is the contraction of intermediate pauses, where accumulation simply expands production based on existing technology. An accumulation of the total capital that accelerates more and more is needed in order for additional workers to be absorbed and also in order just to retain the ones already employed, owing to the constant metamorphosis of old capital. Not only that, increasing accumulation and concentration cause further changes in the composition of capital—or capital's variable part to be further reduced, as compared with the constant part, at an accelerated rate. This accelerated relative decrease in the variable part goes with the accelerated increase of the total capital, moving, however, even more rapidly. At the other pole, it takes the inverse form, in which the working population seems to increase in absolute terms and to always do so more rapidly than the variable capital or the means of employment. Yet it is capitalist accumulation itself that continuously produces a population that is too large relative to capital's average valorization needs and thus superfluous—or, in other words, a surplus population of workers, with the size of that population varying according to the extent and energy of accumulation.

As for society's total capital, the movement of its accumulation sometimes brings about periodic changes, and sometimes it distributes various phases among the different spheres of production simultaneously. In some spheres, simple concentration causes the composition of capital to change without any growth occurring in capital's absolute magnitude. In others, capital wouldn't grow in absolute terms if its variable part, or the labor-power it absorbs, didn't decrease in absolute terms. In still other spheres, capital at times continues to increase based on existing technology, attracting additional labor-power in proportion to its growth, while, at other times, an organic change occurs, and capital's variable part contracts. In all spheres, the growth of capital's variable part, and thus of the number of workers employed, is always bound up with violent fluctuations and

the temporary production of a surplus population, whether this takes its more conspicuous form—i.e., employed workers are pushed out of jobs—or its less visible, but no less consequential form—i.e., it becomes harder to absorb additional workers through their usual runoff canals.¹⁰

Capital's greater attraction of workers goes with their greater repulsion: the scale on which this happens expands according to the amount of society's capital already functioning and the extent of its growth—and also as the scale of production expands, the number of workers set in motion increases, the productive power of their labor develops further, and the stream that is the source of all wealth becomes wider and stronger. Moreover, capital's organic constitution and technological form change at a faster rate as those things happen, and the number of spheres affected by the change increases, sometimes simultaneously, sometimes not. Thus the population of workers that produces the accumulation of capital thereby also produces, in progressively larger amounts, the means by which the their own relative superfluity is brought about.¹¹ This is a population law

10. The Census for England and Wales shows, among other things: all the persons employed in agriculture (landlords, farmers, gardeners, shepherds, etc. included): 1851: 2,011,447; 1861: 1,924,110, a reduction of 87,337. Worsted manufactures, 1851: 102,714 persons; 1861: 79,242. Silk weaving, 1851: 111,940; 1861: 101,678. Calico-printing, 1851: 12,098; 1861: 12,556, a small increase, despite the enormous expansion of this industry, which implies a large proportional decrease in the number of workers employed. Hat-making, 1851: 15,957; 1861: 13,814. Straw-hat and bonnet-making, 1851: 20,393; 1861: 18,176. Malt-ing, 1851: 10,566; 1861: 10,677. Chandlery, 1851: 4,949; 1861: 4,686: this contraction was caused by, among other things, the increasingly widespread use of gas lighting. Comb-making, 1851: 2,038; 1861: 1,478. Sawyers, 1851: 30,552; 1861: 31,647, an increase that was so small due to the use of sawing-machines. Nail-making, 1851: 26,940; 1861: 26,130, a decrease caused by competition from machines. Tin- and copper-mining, 1851: 31,360; 1861: 32,041. In contrast, cotton spinning and weaving, 1851: 371,777; 1861: 456,646. Coal mining, 1851: 183,389; 1861: 246,613. "Generally the greatest increase of artisans since 1851 is in trades to which machinery has not yet been successfully applied" ("Census of England and Wales for 1861," Vol. 3, Lond. 1863, p. 36).

11. "The demand for labour depends on the increase of circulating and not of fixed capital. Were it true that the proportion between these two sorts of capital is the same at all times, and in all circumstances, then, indeed, it follows that the number of labourers employed is in proportion to the wealth of the state. But such a proposition has not the semblance of probability. As arts are cultivated, and civilization is extended, fixed capital bears a larger and larger proportion to circulating capital. The amount of fixed capital employed in the production of a piece of British muslin is at least a hundred, probably a thousand times greater than that employed in a similar piece of Indian muslin. And the proportion of circulating capital is a hundred or thousand times less . . . the whole of the annual savings, added to the fixed capital, would have no effect in increasing the demand for labour" (John Barton, "Observations on the circumstances which influence the Condition of the Labouring Classes of Society." Lond. 1817, pp. 16, 17). [Editor's note: "Circumstances" is "countries" in the source text, and "proposition" is "position."] "The same cause which may

peculiar to the capitalist mode of production, and in fact every particular historical mode of production has its own laws of population, which hold only for individual historical moments. An abstract law of population exists only for plants and animals, albeit only if human beings refrain from historical interventions into their lives.

If a surplus population of workers necessarily results when accumulation occurs, or when wealth develops based on capitalist production, such a population also becomes, on the other hand, a mechanism of capitalist accumulation and even one of the conditions that allow the capitalist mode of production to exist. This surplus population of workers forms a disposable industrial reserve army that belongs to capital absolutely—just as much as it would if capital had bred it at its own expense. With capital's valorization requirements constantly in flux, the surplus population supplies human material that is always ready to be exploited, doing so independently of the limits of general population growth. As capital accumulates, and as its accumulation is accompanied by increases in labor's productive power, the power of capital to expand by leaps and bounds increases as well. It increases not only because the functioning capital's elasticity does, too; not only because absolute wealth, of which capital is merely an elastic part, grows; and not only because credit, when moved by special stimuli, hastens to put an unusual amount of that wealth at production's disposal in the form of surplus capital. This power of capital's also increases because the technological conditions of the production process—machinery, the means of transportation, etc.—now make it possible to rapidly and expansively transform surplus product into additional means of production. The mass of social wealth that burgeons as accumulation advances, and that can be turned into additional capital, frantically pushes its way into old branches of production, whose markets suddenly expand, or into newly opened branches, such as railroads, which meet needs arising from the development of the old branches. In all such cases,

increase the net revenue of the country may at the same time render the population redundant, and deteriorate the condition of the labourer" (Ricardo *op. cit.* p. 469). When capital increases, "the demand [for labor] will be in a diminishing ratio" (*ibid.* p. 480, note). "The amount of capital devoted to the maintenance of labour may vary, independently of any changes in the whole amount of capital. . . . Great fluctuations in the amount of employment, and great suffering may become more frequent as capital itself becomes more plentiful" (Richard Jones, "An Introductory Lecture on Pol. Econ. Lond. 1833," p. 52). "Demand [for labor] will rise . . . not in proportion to the accumulation of the general capital. . . . Every augmentation, therefore, in the national stock destined for reproduction, comes, in the progress of society, to have less and less influence upon the condition of the labourer" (Ramsey *op. cit.* pp. 90, 91).

it must be possible to suddenly move great masses of people to key points without shrinking the scale of production elsewhere. The surplus population supplies these people. Modern industry's characteristic path, a ten-year cycle of periods of average activity, high-intensity production, crises, and stagnation (all of which are interrupted by smaller oscillations), turns on the constant formation, the more or less extensive absorption, and the replenishment of an industrial reserve army or surplus population. Meanwhile, the different phases of the industrial cycle help pull workers into this surplus population: they become one of its most energetic agents of reproduction. We don't find this, modern industry's peculiar path, in any previous age, and it couldn't have occurred during the childhood of capitalist production. Capital's composition changed only quite gradually back then. So, on the whole, proportional growth in the demand for labor has corresponded to the accumulation of capital. Its accumulation advanced slowly, measured against the pace of progress in the modern epoch, and in the exploitable working population it ran up against a natural obstacle that could be overcome only with violent measures, as we will later see. The scale of production has to expand in fits and starts before it can contract as suddenly, which leads to expansion again, expansion that can't happen without disposable human material, or if the number of workers doesn't increase independently of absolute population growth. This increase results from the simple process that continuously sets one part of the workers "free," or, in other words, the methods that lower the number of employed workers in proportion to increased production. Modern industry's whole form of movement thus proceeds from the constant transformation of one part of the working population into unemployed or semiemployed "hands." Political economy's lack of depth comes to light precisely where it makes the expansion and contraction of credit, a mere symptom of the industrial cycle's alternating periods, into their cause. Just like the heavenly bodies, which always repeat the same movement once they have been flung into it, social production maintains the movement it is flung into, alternately expanding and contracting. Effects become causes, and the various ups and downs of the entire process, which continuously reproduces the conditions it requires, take on the form of periodicity. Once this form has become established, even political economy is able to grasp that the production of a relative superfluous population exceeding capital's average valorization needs constitutes one of the conditions that allow modern industry to exist.

"Suppose," says Herman Merivale, once a professor of political economy at Oxford and later an official in England's Colonial Ministry, "suppose

that, on the occasion of some one of these crises, the nation were to rouse itself to the effort of getting rid by emigration of some hundreds of thousands of superfluous arms, what would be the consequence? That, at the first returning demand for labour, there would be a deficiency. However rapid reproduction may be, it takes at all events, the space of a generation to replace the loss of adult labour. Now the profits of our manufacturers depend mainly on the power of making use of the prosperous moment when demand is brisk, and thus compensating themselves for the interval during which it is slack. This power is secured to them only by the command of machinery and of manual labour. They must have hands ready by them; they must be able to increase the activity of their operations when required, and to slacken it again according to the state of the market; or they cannot possibly maintain that pre-eminence in the race of competition on which the wealth of the country is founded.”¹² Even Malthus could see that modern industry relies on a surplus population, which he treated, in his limited way, as an absolute surfeit stemming from the growth of the working population, and not as workers who have been made relatively superfluous. He wrote, “Prudential habits with regard to marriage carried to a considerable extent among the labouring class of a country mainly depending on manufactures and commerce might injure it. . . . From the nature of a population, an increase of labourers cannot be brought into market, in consequence of a particular demand, till after the lapse of 16 or 18 years, and the conversion of revenue into capital by saving, may take place much more rapidly; a country is always liable to an increase in the quantity of the funds for the maintenance of labour faster than the increase of the population.”¹³ In this way, political economy declared that in order for capitalist accumulation to keep taking place, a relative surplus population of workers has to keep forming, and having done that, it assumed the apt shape of an old spinster and put into the mouth of its ideal capitalist these words, which were meant for workers who had been made “redundant,” i.e., jobless, by the surplus capital they themselves created: “We manufacturers do what we can for you in increasing the capital

12. H. Merivale, “Lectures on Colonization and Colonies.” Lond. 1841 and 1842. Vol. 1, p. 146.

13. Malthus, “Princ. of Pol. Econ.,” pp. 215, 319, 320. In this work, Malthus finally discovers, by way of Sismondi, the beautiful trinity of capitalist production: overproduction—overpopulation—overconsumption, three very delicate monsters, indeed! See F. Engels, “Umrisse zu einer Kritik der Nationalökonomie,” op. cit. p. 107ff. [Editor’s note: Marx refers to the article by Engels published in the *Deutsch-Französische Jahrbücher*, first issue, 1844. English translation, “Outlines of a Critique of Political Economy,” in *MECW*, vol. 3, pp. 418–43. His specific reference is to the section on pp. 437ff.]

on which you are to subsist; and you must do the rest by proportioning your numbers to the means of subsistence.”¹⁴

Capitalist production cannot be satisfied with the amount of disposable labor-power that natural population growth provides. Rather, its free play requires an industrial reserve army that isn’t held back by that natural limit.

We have been presupposing that when variable capital increases or decreases, these movements correspond exactly to how much the number of workers employed grows or shrinks.

But the number of workers whom a mass of variable capital commands can stay the same, or in fact fall, as that capital is enlarged. This will happen if individual workers supply a greater amount of labor and thus receive a larger wage, while the price of labor remains constant or even decreases, as long as it decreases more slowly than the amount of labor increases. The growth of variable capital would then indicate that a greater amount of labor is being performed, but not necessarily that a greater number of workers are being employed. Every capitalist has an absolute interest in squeezing a given amount of labor out of a smaller number of workers as inexpensively as, or even more inexpensively than, a larger number of them. With more workers, the outlay of constant capital increases in proportion to how much labor is set in motion, whereas with fewer workers, the increase is much slower. The larger the scale of production, the greater the role this motive plays: it bulks ever larger as the accumulation of capital advances.

As we have seen, when the capitalist mode of production and also labor’s productive power develop further, processes that are at once a cause and effect of accumulation, the capitalist can set more labor in motion with the same outlay of variable capital by exploiting individual bearers of labor-power more extensively or intensely. We have also seen how he purchases a greater amount of labor-power with the same amount of capital value: more and more, the capitalist hires unskilled workers instead of skilled ones, inexperienced workers instead of mature ones, female workers instead of male workers, and the labor-power of children or teens instead of that of adults.

On the one hand, then, a greater amount of variable capital sets more labor in motion in the course of accumulation, but without employing a greater number of workers; while, on the other hand, the same amount of variable capital sets more labor in motion with no increase in the amount

14. Harriet Martineau, “The Manchester Strike. 1832,” p. 101.

of labor-power, and, finally, a greater number of unskilled bearers of labor-power are set in motion by casting aside skilled bearers of labor-power.

A relative surplus population is therefore produced, or workers are set free, faster than the technological transformation of the production process occurs, even though this transformation is accelerated by accumulation, and also faster than the corresponding contraction of the variable capital relative to the constant part. If the means of production serve less and less as means of employment as they become larger and more powerful, this relation is in turn modified because capital increases its supply of labor faster than its demand for workers, doing so in proportion to the increase in labor's productive power. The overwork performed by the employed members of the working class swells the ranks of the reserve army, while competition from the latter group exerts pressure on the former one, forcing it to do overwork and comply with all of capital's demands. This process, whereby the overwork of some members of the working class condemns the other members to forced idleness, and *vice versa*, functions as a way for the individual capitalist to increase his wealth,¹⁵ and it also accelerates the production of an industrial reserve

15. Even during the cotton famine of 1863, the cotton spinners of Blackburn produced a pamphlet that vehemently denounced overwork, which of course affected only adult male workers (because of the Factory Act). "The adult operatives at this mill have been asked to work from 12 to 13 hours per day, while there are hundreds who are compelled to be idle who would willingly work partial time, in order to maintain their families and save their brethren from a premature grave through being over-worked." "We," the author proceeds to say, "would ask if the practice of working overtime by a number of hands, is likely to create a good feeling and establish confidence between masters and servants. Those who are working overtime feel the injustice equally with those who are condemned to forced idleness. There is in the district almost sufficient work to give to all partial employment, if fairly distributed. We feel that we are only asking what is right in requesting the masters generally to pursue a system of short hours, particularly until a better state of things begins to dawn upon us, rather than to work a portion of the hands overtime, while others, for want of work, are compelled to exist upon charity" ("Reports of Insp. of Fact. 31st October 1863," p. 8). [Editor's note: Some amplifying translation here. Marx translates "those who are working overtime" as "die Opfer der Überarbeit," which matches the English expression "the victims of overwork." Of course, if he thought that he had failed to preserve a similar instance of accentuation elsewhere in the passage, he might have simply wanted to make up for that here. Marx might have been translating in a holistic way, in other words.] The author of the "Essay on Trade and Commerce" grasped how a relative surplus population affects employed workers, doing so with his usual unerring bourgeois instinct: "Another cause of idleness, in this kingdom, is the want of a sufficient number of labouring hands. Whenever, from an extraordinary demand for manufactures, labour grows scarce, the labourers feel their own consequence, and will make their masters feel it likewise; it is amazing; but so depraved are the dispositions of these people, that, in such cases, a set of workmen have combined to distress their employer by, idling a whole day together" ("Essay etc.," pp. 27, 28). That is, these men demanded a wage increase.

army on a scale commensurate with the advance of social accumulation. The case of England illustrates how much this factor does to form a relative surplus population. England's technological means for "saving" labor are enormous. But if tomorrow labor were universally limited to a rational amount, and then assigned to different sections of the working class according to age and sex, the available population of workers would be absolutely insufficient to carry out national production on its current scale. The great majority of workers who are "nonproductive" at present would have to be transformed into "productive" ones.

For the most part, the general movement of wages is regulated solely by the expansion and contraction of the industrial reserve army, which in turn corresponds to the periodic alternations of the industrial cycle. It isn't, then, the varying absolute number of workers that determines the movement of wages; rather, it's the varying ratios in which members of the working class make up the active and reserve industrial armies—in other words, what determines their movement is how much the relative size of the surplus population grows or shrinks, or the extent to which it is absorbed and then set free once again. Since modern industry has a ten-year cycle with periodic phases, which, moreover, are interfered with by irregular oscillations that keep occurring more and more frequently in the course of accumulation, it would be nice to have a law that makes capital's movement depend on how much the population increases or declines in absolute terms, instead of doing the inverse—namely, regulating the supply and demand of labor according to how much capital expands or contracts, or according to what capital's valorization needs happen to be, with the result that the labor market now appears as relatively undersupplied because capital is expanding, now again as oversupplied because it is contracting. Yet this is the economists' dogma, according to which wages rise as a result of capital's accumulation. Increased wages, for their part, spur accelerated population growth among workers, which goes on until the labor market is saturated, i.e., the supply of workers exceeds that of capital. Then wages sink, and now we see the other side of the coin. Falling wages gradually thin out the working population, thereby causing the supply of capital to again exceed that of labor; or, as others explain it, falling wages and the increased exploitation of workers that goes with them accelerate accumulation, while at the same time the lower wages curb population growth among members of the working class. Thus we see the return of a ratio where the demand for labor is greater than the supply, wages rise, and so on. What a beautiful system of movement this would be for advanced capitalist production! The time for the industrial campaign, for fighting

the battle to its conclusion, would be over long before higher wages could produce a positive increase of the population truly fit for work.

A wage increase that was in practice purely nominal occurred in England's agricultural districts between 1849 and 1859, as the price of grain was falling. In Wiltshire, for example, the weekly wage rose from 7 shillings to 8. In Dorsetshire, it went from 7 or 8 shillings to 9, and so on. This was a consequence of a larger-than-normal exodus on the part of the agricultural surplus population, which was brought about by wartime demand and also the massive expansion of railroad construction, factories, mines, etc. The lower wages are, the higher the percentage change resulting from every insignificant wage increase. If the weekly wage is 20 shillings and it increases to 22 shillings, then the wage has risen by 10%. But if the weekly wage is only 7 shillings and it rises to 9 shillings, there is a $28\frac{4}{7}\%$ increase, which sounds like a lot. Farmers howled in protest, and in discussing this starvation wage, even the *London Economist* maundered on earnestly about "a general and substantial advance."¹⁶ What did the farmers do? Did they wait until the population of farm laborers had increased so much, due to this amazing remuneration, that wages had to fall (this is how the situation played out in the political economists' dogmatic heads)? They did not. Instead they introduced more machinery, and in no time there was such a "surfeit" of workers that even the farmers were satisfied. "More capital" than before was put into agriculture, and in a more productive form. And when this happened, the demand for labor fell in both relative and absolute terms.

The political economists' fiction we have been discussing confuses two sets of laws: the ones that regulate the general movement of wages—or the ratio of the working class and society's total capital—with the laws that distribute the working population among the different spheres of production. If business is good in a particular sphere, and, as a result, accumulation becomes especially robust, this drives profits there above the average level, prompting additional capital to stream in. Needless to say, both the demand for labor and wages will rise. The higher wages will attract a greater share of the working population to the happy sphere until the demand for labor-power is satisfied, which will cause wages to gradually recede to their previous average level, or, if too much labor-power has pressed its way in, they will drop to a level even lower than that. What the political economist thinks he sees here is "how and why" the number of workers increases in absolute terms when wages rise, and then wages

16. *Economist*, 21st Jan. 1860.

fall when the number of workers increases in absolute terms. But what he really sees are only the local oscillations of the labor market in a particular sphere of production—only phenomena arising from the redistribution of the working population among the different spheres that capital flows into according to its changing needs.

During periods of stagnation and average prosperity, the industrial reserve army or relative surplus population has the effect of putting pressure on the active army, and during periods of overproduction and paroxysm, the former army causes the latter one to keep its hopes in check. The relative surplus population thus conditions how the law of labor's supply and demand operates. It imposes limits on the law's field of action that absolutely accommodate capital's greedy appetite for exploiting workers and its compulsion to dominate them. This is the right place to come back to one of the greatest feats of economic apologetics. We will recall that when new machines are introduced or old machines are enlarged, part of the variable capital is transformed into constant capital. The apologists take this operation, which "fixes" capital, thereby setting workers "free," and turn it around. According to them, it sets capital free for the worker. Only now are we in a position to fully appreciate the apologists' shamelessness. For the workers directly cast aside by machines aren't the only ones set free: so are their future replacements and also the additional contingent regularly absorbed when, supported by its old foundation, industry expanded as usual. Old capital isn't set free for workers, but workers are set free for "additional" capital. So, in other words, the mechanism of capitalist production sees to it that when capital grows in absolute terms, no corresponding increase occurs in the general demand for labor. And the apologists call this the compensation that displaced workers get for the misery, pain, and possibility of death they have to deal with during the transitional period when they are banished into the reserve army! The demand for labor isn't identical to capital's growth, nor is the supply of labor identical to the growth of the working class. What we have here isn't a case of two independent forces acting upon each other. *Les dés sont pipés.*^v Capital acts on both sides at once. If, on the one hand, capital's accumulation increases the demand for labor, on the other hand, it increases the supply of workers by setting them "free." At the same time, the pressure that the existence of unemployed workers puts on the employed ones forces the latter group to set more labor in motion, which makes the supply of labor independent of the supply of workers, at least to a certain extent. When the law of supply and demand operates on this basis, its movement seals capital's despotic control. Hence the moment workers solve the mystery of how it is that the

more they work, the more wealth they produce for others, and the more the productive power of their labor increases, the more precarious even their function as capital's means of valorization becomes; the moment they discover that the intensity of the competition between them depends entirely on the pressure arising from the relative surplus population; the moment they attempt to organize trade unions and thus systematic collaboration between employed and unemployed workers, so as to stop or at least mitigate the ruinous effects that this natural law of capitalist production has on the working class—the moment these things happen, capital and its sycophant, political economy, start crying bloody murder over how the “eternal” and, so to speak, “sacred” law of supply and demand has been violated. All alliances between the employed and the unemployed disturb the “pure” functioning of the law, yet the moment unfavorable conditions—say, in the colonies—make it hard to create an industrial reserve army and thus render the working class absolutely dependent on the capitalist class, capital rebels against this same “sacred” law of supply and demand. Together with its platitude-loving Sancho Panza, it tries to forcibly bend the law to its interests.

4. The Relative Surplus Population in Its Various Forms of Existence. The General Law of Capitalist Accumulation

The relative surplus population exists in many different gradations, with workers belonging to it whenever they are semiemployed or not employed at all. It isn't necessary to go into great detail here: some general remarks will suffice. The form of the surplus population varies periodically during the alternating phases of the industrial cycle—it takes on its acute form in crisis moments and its chronic form when there is stagnation. However, it always has the following three forms: fluid, latent, and stagnant.

We have seen how factory workers are alternately repelled and attracted again in greater numbers, with the result that on the whole the number of them employed increases in absolute terms, even as it continuously decreases relative to the scale of production. In this case, the surplus population exists in its fluid form. Readers should note two circumstances. In both factories proper and large workshops, where machinery functions as one factor, or the production process hasn't advanced beyond the modern division of labor, many male workers are used only until they reach adulthood. At this point, just a few stay on, continuing to be employed in the same branches of industry. Many