

Annotations to Karl Marx's 'Capital' Class Edition*

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*Checklist p. 649, homework schedule 655, ppoints explained 673.

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Preface to the Annotations

These Annotations discuss Marx's *Capital* paragraph by paragraph and, if necessary, sentence by sentence. They consist of a new translation of Marx's text, printed in parallel with the German, interspersed with comments. These comments try to make the micro-logical development of Marx's argument explicit, including those steps which Marx himself only indicated through his terminology, or which he took for granted and did not think he had to explain, or about which Marx was silent at this point for other reasons.

This interpretation of Marx is deeply indebted to Critical Realism, a philosophical current founded by Roy Bhaskar which, in my view, is the best systematic development of Marx's methodology available today. Critical Realism arose from modern philosophical critiques of positivism, and furnishes a derivation from first principles of many themes that are present in Marx's reasoning, but which are rarely explained by Marx himself.

Marx himself used a method inspired by Hegel, in which he tried to sink his thoughts into the subject-matter so deeply that he could see the subject-matter not from the point of view of a consciousness alien to the subject-matter but through its own logic. His derivations look therefore like a priori constructions but they are not; he is attuned to the subject matter in such a way that the inner logic of the environment in which Marx has immersed himself, shows itself as his spontaneous thinking. This can be justified by the fact that capitalism is the society which we reproduce every day with our own actions; therefore an intelligent introspection of our own acts should help us understand the structure of this society. Critical realism does not require this immersion; its frame of reference creates a scaffolding which allows us to see the structure of the society from the outside. This outside view makes all those things explicit which Marx himself, in his state of immersion, left implicit—but which nevertheless directed his thinking. The explanations given in these Annotations are not always identical to Marx's own explanations but I hope to show that they can nevertheless make sense of Marx's development at every step. I see my work not as a re-interpretation of Marx in Critical Realist terms, but I am trying to use Critical Realism to pull Marx's intuitions and thought processes out into the open. It is a more pedestrian approach than Marx's own, it is walking up the stairs of a well-organized scaffolding rather than climbing the rock itself. I hope this scaffolding can traveled by many and therefore allows discussion at a level which was formerly unaccessible.

In keeping with their purpose making Marx more accessible, these Annotations are written for everyone, whether lay person or expert, who is interested in understanding Marx's *Capital*. Marx's *Capital* is an important but difficult philosophical work. A modern reader who is trying to work through it alone is likely to miss important aspects of it. The reading of *Capital* has to be taught. On the other hand, anyone making the effort to understand how Marx argues in *Capital*, acquires tools which also allow a better understanding of modern capitalist society itself.

My interpretation of Marx is limited by the fact that I do not have a full understanding of Hegel's framework or, what would be necessary here, of Marx's view of Hegel's framework. Therefore I am still groping when I am talking about Hegelian concepts themselves, and any help by better experts than I will be appreciated.

These Annotations are freely available as pdf files. In their electronic version they contain thousands of live links which enable the reader to quickly switch from one part of the text to related passages elsewhere. They are part of a collection of pdf files with annotations to other economic writings of Marx. The comparison of different versions of the same argument is often useful for a better understanding of the argument itself. This collection also includes a glossary, which gives an overview how certain philosophical terms are used by Marx, and which I hope will help in the difficult task of translating Marx. Again, this glossary takes full advantage of the capability of the pdf readers to follow live links.

A special version of these Annotations is used as textbook for an on-line class which I regularly teach at the University of Utah. This class edition only uses excerpts of the full text, but has hundreds of study questions and additional material added. I owe thanks to the students in these classes, whose insights and also misunderstandings have helped me to refine my interpretation of Marx's text.

Page references to *Capital* refer to the Vintage resp. Penguin edition [Mar76]. The German text also displays the corresponding page number in the German Marx Engels Werke [Mar62], which is a reprint of the Fourth German edition. [Karl Dietz Verlag](#) gave me kind permission to use the page numbers and the translations of the footnotes from MEW. Along with the page numbers, also a count of the paragraphs is given. *Capital I, 164:3/o* means: the third paragraph starting on p. 164 in the Vintage edition. The “/o” indicates that this paragraph is going over to the next page.

Grundrisse, 94:1 denotes a passage in *Grundrisse*, Marx's first draft of *Capital*, which is reproduced in Volumes 28 and 29 of the *Marx Engels Collected Works* [Mar86] and [Mar87b], and which is also separately available in a Vintage/Penguin edition [Mar73]. This latter page number is the one used here, and the German page numbers come from [Mar74]. I also often refer to Marx's *Contribution to the Critique of Political Economy*, which is an earlier published version of the first part of *Capital I*. The English page numbers come from Volume 29 of the *Collected Works* [Mar87b], and the German page numbers from [Mar71].

Here are some of the other sources used: Marx's manuscript *Results of the Immediate Process of Production* is referred to in the translation included as appendix to the Vintage edition of *Capital I* [Mar76]. Sometimes I also refer to the French translation of *Capital*, which was done under Marx's close supervision, and about which Marx commented in the preface of *Capital I, 105:3*, that certain passages were clearer than the German. I have been using the MEGA edition [Mar89]. I am also using MEGA for the German text of the first edition [Mar83].

These Annotations here are one of a collection of interlinked pdf files; an overview of the other files is available in [overview.pdf](#).

The new translation contained in these Annotations has the purpose to make the precise meaning of Marx's text better intelligible to the English-speaking audience. I consulted the translations in [Mar76], [Mar70], and also the excellent translation [Mar30]. I did not try to reproduce all ambiguities of the German text. If the German can be understood in two different ways, and interpretation *a* is, in my view, clearly right while interpretation *b* is wrong, then my translation will only try to bring out interpretation *a*. Notes about the translations are typeset in small print in three columns.

In the translation, I sometimes translated Marx's examples in British currency into a decimal currency (dollars), at the exchange rate £1=\$4.80. £1 consists of 20 shillings, therefore 1 shilling=24 cents, and 1 shilling consists of 12 pence, therefore 1 penny=2 cents.

For the sake of this commentary, some chapters are divided into more sections and sub-sections than the division made by Marx himself. The newly introduced subtitles are given

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in square brackets.

These Annotations are under constant revision, but you will always find the current up-to-date version at the web site of the Economics Department of the University of Utah <http://www.econ.utah.edu/ehrbar/akmc.htm>. Hans is committed to keeping this work freely available and eventually the L^AT_EX source code will also be published.

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Preface to the First Edition of 'Capital'

This is the text of the preface to the first edition as it was included in the fourth edition. The original text of the first edition is available as a separate file [first.pdf](#).

The class edition does not bring the full text of the preface, but only a few excerpts with interesting methodological remarks.

89:3/o Beginnings are always difficult in all sciences. The understanding of the first chapter, especially the section that contains the analysis of commodities, will therefore present the greatest difficulty. I have popularized the passages concerning the substance of value and the magnitude of value as much as possible.¹

After this, the foreword to the first edition form of value in the first edition was difficult to understand, because Marx had made the dialectic much "sharper" than in *Contribution*. Therefore the first edition contained a special appendix in which this analysis was explained in a simpler and even textbook-like (schulmeisterlich) manner. Beginning with the second edition, this appendix was worked into the main text, therefore the passage in the foreword explaining this appendix was omitted. Despite the reworking of this passage, it seems that Marx considered the analysis of the form of value, i.e., Section 1.3, to be the most difficult, because the most abstract, part of the book.

The value-form, whose fully developed shape is the money-form, is very simple and slight in content. Nevertheless, the human mind has sought in vain for more than 2,000 years to get to the bottom of it, while on the other hand there has been at least an approximation to a successful analysis of forms which are much richer in content and more complex. Why? Because the complete body is easier to study than its cells.

This is an explanation why he begins with the commodity.

Question 1 () What did Marx mean with his formulation "the value form is slight in content"? [2007fa](#), [2005fa](#).

Question 2 () Why is the complete body easier to study than the cells?

Moreover, in the analysis of economic forms neither microscopes nor chemical

11:3/o Aller Anfang ist schwer, gilt in jeder Wissenschaft. Das Verständnis des ersten Kapitels, namentlich des Abschnitts, der die Analyse der Ware enthält, wird daher die meiste Schwierigkeit machen. Was nun näher die Analyse der Wertsubstanz und der Wertgröße betrifft, so habe ich sie möglichst popularisiert.¹

11:3/o says that especially the analysis of the form of value in the first edition was difficult to understand, because Marx had made the dialectic much "sharper" than in *Contribution*. Therefore the first edition contained a special appendix in which this analysis was explained in a simpler and even textbook-like (schulmeisterlich) manner. Beginning with the second edition, this appendix was worked into the main text, therefore the passage in the foreword explaining this appendix was omitted. Despite the reworking of this passage, it seems that Marx considered the analysis of the form of value, i.e., Section 1.3, to be the most difficult, because the most abstract, part of the book.

Die Wertform, deren fertige Gestalt die Geldform, ist sehr inhaltslos und einfach. Dennoch hat der Menschengeist sie seit mehr als 2000 Jahren vergeblich zu ergründen gesucht, während anderseits die Analyse viel inhaltsvollerer und komplizierterer Formen wenigstens annähernd gelang. Warum? Weil der ausgebildete Körper leichter zu studieren ist als die Körperfazelle.

Bei der Analyse der ökonomischen Formen kann außerdem weder das Mikroskop die-

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reagents are of assistance. The power of abstraction must replace both.

↑ Marx compares abstraction with a microscope or the setup of a chemical experiment. Abstraction is therefore not the process which leads us from the empirical surface phenomena to the underlying forces, but abstraction allows us to look at the surface phenomena in the right way (stripping off inessential contaminations, or cutting down to the simplest phenomena eschewing the too highly developed forms) so that conclusions about the underlying driving forces can be drawn.

But for bourgeois society, the commodity-form of the product of labor, or the value-form of the commodity, is the economic cell-form. To the uneducated observer, the analysis of these forms seems to turn upon minutiae. It does in fact deal with minutiae, but so similarly does microscopic anatomy.

nen noch chemische Reagentien. Die Abstraktionskraft muß beide ersetzen.

Für die bürgerliche Gesellschaft ist aber die Warenform des Arbeitsprodukts oder die Wertform der Ware die ökonomische Zellenform. Dem Ungebildeten scheint sich ihre Analyse in bloßen Spitzfindigkeiten herumzutreiben. Es handelt sich dabei in der Tat um Spitzfindigkeiten, aber nur so, wie es sich in der mikrologischen Anatomie darum handelt.

The “commodity form of the product of labor” is not the same as the “value form of the commodity.” Their relationship is explained in 153:2/o. Both forms share the honor of being called here the economic “cell form” of capitalist society. I.e., capitalist society is not only based on every product of labor being produced as a commodity, but also on the agents on the surface of the economy treating the labor in these commodities as objective properties of the products.

Question 3 () Why does Marx say: the “commodity form of the product of labor” or the “value form of the commodity” are the economic cell form? Explain what each of these two forms is and how they are related. (Try this question only if you are able to answer question 254 below.)

Although Marx uses England as his main illustration, which had at his time the most highly developed and purest capitalism, his study was also relevant for those countries where capitalism was not yet developed as much, such as Germany:

90:2 The physicist observes natural processes either in situations where they appear in the clearest form with the least contamination by disturbing influences, or, wherever possible, he makes experiments under conditions which ensure that the process will occur in its pure state. What I have to examine in this work is the capitalist mode of production, and the relations of production and forms of intercourse that correspond to it. Until now, their locus classicus has been England. This is the reason why England is used as the main illustration of the theoretical developments I make. If, however, the German reader pharisaically shrugs his shoulders at the condition

12:2 Der Physiker beobachtet Naturprozesse entweder dort, wo sie in der prägnantesten Form und von störenden Einflüssen mindest getrübt erscheinen, oder, wo möglich, macht er Experimente unter Bedingungen, welche den reinen Vorgang des Prozesses sichern. Was ich in diesem Werk zu erforschen habe, ist die kapitalistische Produktionsweise und die ihr entsprechenden Produktions- und Verkehrsverhältnisse. Ihre klassische Stätte ist bis jetzt England. Dies der Grund, warum es zur Hauptillustration meiner theoretischen Entwicklung dient. Sollte jedoch der deutsche Leser pharisäisch die Achseln zucken über die Zustände der englischen Industrie- und Ackerbauarbeiter

of the English industrial and agricultural workers, or optimistically comforts himself with the thought that in Germany things are not nearly so bad, I must plainly tell him: De te fabula narratur!

The things which Marx says here are generally valid for all sciences, not only political economy but also for physics. The subject of scientific inquiry are not the phenomena per se, not even the degree to which the underlying forces have generated social antagonisms, but these underlying forces themselves, which are as inexorably at work in Germany as they are in England. Germany will eventually look like England:

90:3/o Intrinsically, it is not a question of the higher or lower degree of development of the social antagonisms that spring from the natural laws of capitalist production. It is a question of these laws themselves, of these tendencies winning their way through and working themselves out with iron necessity. The country that is more developed industrially only shows, to the less developed, the image of its own future.

Marx's remarks about the scientific method in general are very similar to Bhaskar's approach in [Bha78], with one difference: in his *Realist Theory of Science*, Bhaskar does not talk about the *development* of the generative forces studied by the scientist. Only much later, in [Bha93], does Bhaskar say that his *Realist Theory of Science* must be dialecticized.

Now some important remarks about the purpose of this theoretical analysis: Marx thought that the social processes which lead to the abolition of capitalism were well under way already in 1872:

91:3/o Let us not deceive ourselves about this. Just as in the eighteenth century the American War of Independence sounded the tocsin for the European middle class, so in the nineteenth century the American Civil War did the same for the European working class. In England the process of transformation is palpably evident. When it has reached a certain point, it must react on the Continent. There it will take a form more brutal or more humane, according to the degree of development of the working class itself.

The novel development in England is described as follows:

Apart from any higher motives, then, the most basic interests of the present ruling classes dictate to them that they clear out of the way all legally removable obstacles to the development of the working class. For

oder sich optimistisch dabei beruhigen, daß in Deutschland die Sachen noch lange nicht so schlimm stehn, so muß ich ihm zurufen: De te fabula narratur!

12:3 An und für sich handelt es sich nicht um den höheren oder niedrigeren Entwicklungsgrad der gesellschaftlichen Antagonismen, welche aus den Naturgesetzen der kapitalistischen Produktion entspringen. Es handelt sich um diese Gesetze selbst, um diese mit ehrner Notwendigkeit wirkenden und sich durchsetzenden Tendenzen. Das industriell entwickelter Land zeigt dem minder entwickelten nur das Bild der eigenen Zukunft.

15:2/o Man muß sich nicht darüber täuschen. Wie der amerikanische Unabhängigkeitskrieg des 18. Jahrhunderts die Sturmklappe für die europäische Mittelschicht läutete, so der amerikanische Bürgerkrieg des 19. Jahrhunderts für die europäische Arbeiterschicht. In England ist der Umwälzungsprozeß mit Händen greifbar. Auf einem gewissen Höhepunkt muß er auf den Kontinent rückschlagen. Dort wird er sich in brutaleren oder humaneren Formen bewegen, je nach dem Entwicklungsgrad der Arbeiterschicht selbst.

Von höheren Motiven abgesehen, gebietet also den jetzt herrschenden Klassen ihr eigenes Interesse die Wegräumung aller gesetzlich kontrollierbaren Hindernisse, welche die Entwicklung der Arbeiterschicht hem-

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this reason, among others, I have devoted a great deal of space in this volume to the history, the details, and the results of the English factory legislation.

↑ Capitalists do not act altruistically but in their own most selfish interest if they make room for the development of the working class. Why? Because the interests of the working class allow the capitalist mode of production to flourish better than the narrow class interests of the capitalists. Marx says something similar in 408:2/o.

One nation can and should learn from others. Even when a society has begun to track down the natural laws of its movement—and it is the ultimate aim of this work to reveal the economic law of motion of modern society—it can neither leap over the natural phases of its development nor remove them by decree. But it can shorten and lessen the birth-pangs.

↑ This is against voluntarism. (Marx discusses voluntarism also in 184:3/oo.)

Question 4 () What is voluntarism? 2005fa.

↓ Finally, Marx emphasizes that the target of his critique is the social structure, not the individuals themselves.

92:1 To prevent possible misunderstandings, let me say this. I do not by any means depict the capitalist and the landowner in rosy colours. But individuals are dealt with here only in so far as they are the personifications of economic categories, the bearers of particular class-relations and interests. My standpoint, which views the development of the economic formation of society as a process of natural history, can less than any other make the individual responsible for relations whose creature he remains socially, however much he may subjectively raise himself above them.

↑ If the development of the social structure is a process of natural history, this means it cannot be explained by the attitudes of the individuals living today. Marx says here that one cannot blame today’s individuals for capitalism, because we all are the products of our society (despite the fact that some may subjectively rise themselves far above this).

The preface concludes with some remarks about the sociology of economics and a summary of the contents of the different volumes of *Capital* (not included here).

93:2 I welcome every opinion based on scientific criticism. As to the prejudices of so-called public opinion, to which I have

men. Ich habe deswegen u.a. der Geschichte, dem Inhalt und den Resultaten der englischen Fabrikgesetzgebung einen so ausführlichen Platz in diesem Bande eingeräumt.

Eine Nation soll und kann von der andern lernen. Auch wenn eine Gesellschaft dem Naturgesetz ihrer Bewegung auf die Spur gekommen ist—und es ist der letzte Endzweck dieses Werks, das ökonomische Bewegungsgesetz der modernen Gesellschaft zu enthüllen—, kann sie naturgemäße Entwicklungsphasen weder überspringen noch wegdekretieren. Aber sie kann die Geburtswehen abkürzen und mildern.

16:1 Zur Vermeidung möglicher Mißverständnisse ein Wort. Die Gestalten von Kapitalist und Grundeigentümer zeichne ich keineswegs in rosigem Licht. Aber es handelt sich hier um die Personen nur, soweit sie die Personifikation ökonomischer Kategorien sind, Träger von bestimmten Klassenverhältnissen und Interessen. Weniger als jeder andere kann mein Standpunkt, der die Entwicklung der ökonomischen Gesellschaftsformation als einen naturgeschichtlichen Prozeß auffaßt, den einzelnen verantwortlich machen für Verhältnisse, deren Geschöpf er sozial bleibt, so sehr er sich auch subjektiv über sie erheben mag.

17:2 Jedes Urteil wissenschaftlicher Kritik ist mir willkommen. Gegenüber den Vorurteilen der sog. öffentlichen Meinung, der

never made concessions, now, as ever, my maxim is that of the great Florentine:

‘Segui il tuo corso, e lascia dir le genti.’

93:3 Karl Marx

93:4 London, 25 July 1867

ich nie Konzessionen gemacht habe, gilt mir nach wie vor der Wahlspruch des großen Florentiners:

| Segui il tuo corso, e lascia dir le genti!

17:3 London, 25. Juli 1867

17:4 Karl Marx

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↓ Marx differentiates between the mode of inquiry and the mode of representation of the results of this inquiry:

102:2 Of course the method of presentation must differ in form from that of inquiry. The latter has to appropriate the material in detail, to analyse its different forms of development and to track down their inner connection. Only after this work has been done can the real movement be appropriately presented. If this is done successfully, if the life of the subject-matter is now reflected back in the ideas, then it may appear as if we have before us an a priori construction.

Marx's methodological Introduction to *Grundrisse*, [mecw28]37:2–38:1, illustrates this distinction between research and representation in much more detail.

Term Paper Topic 5 (Fri Dec 3–Mon Dec 6) Discuss Marx's methodology as explained in the Introduction to *Grundrisse*. [2009fa](#), [2007SP](#).

↓ The remark about a priori constructions refers to Hegel and his followers. Marx adds some important remarks about the relation between his method and Hegel:

102:3 My dialectical method is, in its foundations, not only different from the Hegelian, but exactly opposite to it. For Hegel, the process of thinking, which he even transforms into an independent subject, under the name of 'the Idea', is the creator of the real world, and the real world is only the external appearance of the idea. With me the reverse is true: the ideal is nothing but the material world reflected in the mind of man, and translated into forms of thought.

102:4/o I criticized the mystificatory side of the Hegelian dialectic nearly thirty years ago, at a time when it was still the fashion. But just when I was working at the first volume of Capital, the ill humoured, arrogant and mediocre epigones who now

27:2 Allerdings muß sich die Darstellungs-

weise formell von der Forschungsweise unterscheiden. Die Forschung hat den Stoff sich im Detail anzueignen, seine verschiedenen Entwicklungsformen zu analysieren und deren innres Band aufzuspüren. Erst nachdem diese Arbeit vollbracht, kann die wirkliche Bewegung entsprechend dargestellt werden. Gelingt dies und spiegelt sich nun das Leben des Stoffs ideell wider, so mag es aussehn, als habe man es mit einer Konstruktion a priori zu tun.

27:3 Meine dialektische Methode ist der Grundlage nach von der Hegelschen nicht nur verschieden, sondern ihr direktes Gegenteil. Für Hegel ist der Denkprozeß, den er sogar unter dem Namen Idee in ein selbständiges Subjekt verwandelt, der Demiurg des wirklichen, das nur seine äußere Erscheinung bildet. Bei mir ist umgekehrt das Ideelle nichts andres als das im Menschenkopf umgesetzte und übersetzte Materielle.

27:4 Die mystifizierende Seite der Hegelschen Dialektik habe ich vor beinah 30 Jahren, zu einer Zeit kritisiert, wo sie noch Tagesmode war. Aber grade als ich den ersten Band des „Kapital“ ausarbeitete, gefiel sich das verdrießliche, anmaßliche und

talk large in educated German circles began to take pleasure in treating Hegel in the same way as the good Moses Mendelssohn treated Spinoza in Lessing's time, namely as a 'dead dog'. I therefore openly avowed myself the pupil of that mighty thinker, and even, here and there in the chapter on the theory of value, coquettled with the mode of expression peculiar to him. The mystification which the dialectic suffers in Hegel's hands by no means prevents him from being the first to present its general forms of motion in a comprehensive and conscious manner. With him it is standing on its head. It must be inverted, in order to discover the rational kernel within the mystical shell.

The comments about Hegel are followed by comments about the dialectical method in general:

103:1 In its mystified form, the dialectic became the fashion in Germany, because it seemed to transfigure and glorify what exists. In its rational form it is a scandal and an abomination to the bourgeoisie and its doctrinaire spokesmen, because it includes in its positive understanding of what exists a simultaneous recognition of its negation, its inevitable destruction; because it regards every historically developed form as being in a fluid state, in motion, and therefore grasps its transient aspect as well; and because it does not let itself be impressed by anything, being in its very essence critical and revolutionary.

↑ Marx emphasizes here that dialectics not only looks at what is, but also at what is not, at the absences. It explores how things negate themselves and how they must be criticized.

↓ Finally, from dialectic in general Marx goes over to dialectical contradictions:

103:2 The fact that the movement of capitalist society is full of contradictions impresses itself most strikingly on the practical bourgeois in the changes of the periodic cycle through which modern industry passes, the summit of which is the general crisis. That crisis is once again approaching, although as yet it is only in its preliminary stages, and by the universality of its field of action and the intensity of its impact it will

mittelmäßige Epigonentum, welches jetzt im gebildeten Deutschland das große Wort führt, darin, Hegel zu behandeln, wie der brave Moses Mendelssohn zu Lessings Zeit den Spinoza behandelt hat, nämlich als „toten Hund“. Ich bekannte mich daher offen als Schüler jenes großen Denkers und kokettierte sogar hier und da im Kapitel über die Werttheorie mit der ihm eigentümlichen Ausdrucksweise. Die Mystifikation, welche die Dialektik in Hegels Händen erleidet, verhindert in keiner Weise, daß er ihre allgemeinen Bewegungsformen zuerst in umfassender und bewußter Weise dargestellt hat. Sie steht bei ihm auf dem Kopf. Man muß sie umstülpen, um den rationalen Kern in der mystischen Hülle zu entdecken.

27:5/o In ihrer mystifizierten Form ward die Dialektik deutsche Mode, weil sie das Bestehende zu verklären schien. In ihrer rationalen Gestalt ist sie dem Bürgertum und seinen doktrinären Wortführern ein Ärgernis und ein Greuel, weil sie in dem positiven Verständnis des Bestehenden zugleich auch das Verständnis seiner Negation, seines notwendigen Untergangs einschließt, jede gewordne Form im Flusse der Bewegung, also auch nach ihrer vergänglichen Seite auffaßt, sich durch nichts imponieren läßt, ihrem Wesen nach kritisch und revolutionär ist.

28:1 Die widerspruchsvolle Bewegung der kapitalistischen Gesellschaft macht sich dem praktischen Bourgeois am schlagendsten fühlbar in den Wechselseitigkeiten des periodischen Zyklus, den die moderne Industrie durchläuft, und deren Gipelpunkt—die allgemeine Krise. Sie ist wieder im Anmarsch, obgleich noch begriffen in den Vorstädten, und wird durch die Allseitigkeit ihres Schauplatzes, wie die Intensität ihrer Wir-

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drum dialectics even into the heads of the upstarts in charge of the new Holy Prussian-German empire.

Karl Marx

London, 24 January 1873

kung, selbst den Glückspilzen des neuen heiligen, preußisch-deutschen Reichs Dialektik einpauken.

Karl Marx

London, 24. Januar 1873

1. The Commodity

Moore and Aveling translate the chapter title “*Die Ware*” as “Commodities.” The plural is unfortunate, since it suggests that

the outward behavior of *commodities* will be discussed, rather than the inner structure of *the commodity*. Our translation

“the commodity” is the same as Fowkes’s.

Chapters One, Two, and Three of the first volume of *Capital* are grouped into part One. They discuss commodities and money, but not yet capital.

1.1. The Two Factors of a Commodity: Use-Value and Value (Substance of Value, Magnitude of Value)

Marx uses the word ‘value’ in a very specific meaning. Value (sometimes Marx calls it ‘commodity value’) is that property inherent in the commodity which is responsible for its ability to be exchanged on the market. ‘Value’ is not an ethical category. It also does not indicate a subjective valuation (how much someone values something). Instead, it is an *economic* category.

Also the word ‘use-value’ is used in a specific meaning: the use-value of a commodity is the menu of possible uses of the commodity. Although ‘use-value’ and ‘value’ both contain the word ‘value’, use-value is *not* a particular kind of value. In his *Notes on Wagner’s Textbook of Political Economy* [mecw24]545:1, Marx calls use-value the “opposite” of value, “which has nothing in common with value, except that ‘value’ occurs in the word ‘use-value’.”

Question 6 (*Mon Aug 23–Thu Aug 26*) *The first thing that Marx says about the commodity is that it presents itself to the economic agents as a thing with two different properties, use-value and exchange-value. Why does the title of the first section then say that the two factors of the commodity are use-value and value, instead of use-value and exchange-value?*

2008fa.

According to the title of section 1.1, the two factors of the commodity are use-value and value. In the first unpublished draft version of this title in [Mar87a, p. 1], the factors had been use-value and exchange-value—more about this in 152:1. The parentheses in the title indicate that value is considered here under the aspect of *substance* and *magnitude*. The *third* aspect of value, its *form*, will be analyzed later, in section 1.3.

Although Marx does not subdivide section 1.1 into subsections, the present Annotations divide it into four subsections, numbered 1.1.a – 1.1.d, and use additional unnumbered subtitles in the first of these subsections.

Subsection 1.1.a (125–126:1) briefly surveys the use-value of things.

Subsection 1.1.b (126:2–127:1) begins with the observation that in addition to use-value, the commodity has “exchange-value”—in other words, instead of *using* a commodity the

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owner also has the option to *exchange* it. Then Marx takes a closer look at the exchange relations between commodities, in order to conclude that the commodities' ability to be exchanged, i.e., their exchange-value, is the manifestation of a deeper-lying property of commodities, called "value."

In subsection 1.1.c (127:2–128:3), Marx focuses on the question: "what is value?" Just as a detective makes inferences about what actually happened from the traces left at the scene of the crime, so will Marx make inferences about the "substance" of value from the "forms" under which the economic agents deal with value. This so-called *retroductive argument* leads to the conclusion that the substance of value is *cogealed abstract labor*.

Subsection 1.1.d (128:4–131:1) discusses a different aspect of value: not its substance but its magnitude; not why products must enter the market and be exchanged, but how the exchange proportions are determined which the market generates for them.

Section 1.2 concentrates once more on the *substance* of value, which plays a pivotal role in Marx's theory. Section 1.3 takes a closer look at the *form* of value. Section 1.4 represents a switch in the level of the discourse: Marx points out a certain incongruity between content and form and asks "why this content takes that form" 173:1/oo.

1.1.a. [The Commodity as Natural Object and Use-Value]

[The Commodity Form of Wealth]

The two-column text which follows now is the first sentence of Marx's *Capital*, in a new translation, set side-by-side with the German original. These Annotations contain the full text of relevant passages of *Capital* interspersed with commentary.

125:1 The wealth of those societies, in which the capitalist mode of production reigns, presents itself as an "immense heap of commodities." ¹	49:1 Der Reichtum der Gesellschaften, in welchen kapitalistische Produktionsweise herrscht, erscheint als eine „ungeheure Warenausammlung“, ¹ ...
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Ben Fowkes, the translator in [Mar76], translates "Warenausammlung" as "collection of commodities." This is unfortunate, since "collection" connotes a systematic purposeful act. Marx does not want to imply that people are collecting

commodities. His starting point is the observation that *all* elements of wealth are commodities. He uses the word "Sammlung" as synonymous to "Ansammlung." The Moore-Aveling translation "accumulation" is better here. The adjective "ungeheure," which is

colloquial German, underlines the informal meaning of this sentence. Our translation mixes the levels of formality as well: it uses the more formal "immense" (immeasurably large) alongside the informal "heap."

We will discuss this sentence word for word, first "wealth," then "capitalist mode of production," "reigns," "commodity," and "presents itself."

Wealth: "Wealth" is anything that enhances human life. Marx means here *material* wealth, i.e., *things* which enhance human life.

Question 9 (Mon Aug 23–Thu Aug 26) *Can one say that happiness is the only true wealth?* 2009fa, 2008fa, 2008SP, 2007fa, 2005fa, 2004fa, 2003fa, 2002fa, 1999SP, 1998WI, 1997ut, 1997sp, 1997WI, 1996sp.

Question 10 (Mon Aug 23–Thu Aug 26) *Wouldn't scarcity be a better starting point for understanding how a given society is functioning than wealth? When there is scarcity, this*

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means there is a need to act, whereas wealth consists of dead things. Scarcity leads us to discover what drives society, wealth does not. [2008fa](#), [2005fa](#), [2003fa](#), [1997sp](#), [1997WI](#), [1996ut](#), [1995ut](#).

Nowadays one often reads that the subject of economics is scarcity. Marx differs in two respects: he does not call it “economics” but “political economy,” and he does not begin with scarcity but with wealth. In *Grundrisse*, the first draft of *Capital*, he says on p. 852:1/o: Political economy has to do with the specific social forms of wealth, or rather of the production of wealth.

Die politische Ökonomie hat es mit den spezifischen gesellschaftlichen Formen des Reichtums oder vielmehr der Produktion des Reichtums zu tun.

A similar point of view is implied by the title of Adam Smith’s book [[Smi65](#)] *An Inquiry into the Nature and Causes of the Wealth of Nations*. This title announces the topic of the book as the wealth of *nations*. Here in the first sentence of *Capital*, Marx speaks not of the wealth of nations but the wealth of *societies*.

One usually thinks of wealth as the wealth of individuals, as the amount of things owned by an individual. This is a superficial view. Wealth is intrinsically social:

- Certain aspects of wealth can not be attached to individuals. Public parks or beaches, clean air, lack of noise or crime, a livable city layout, are all elements of wealth which either everybody in society has, or nobody has.
- Even private wealth, which only benefits one or few individuals, has a social dimension. A rich person not only has access to things but, more importantly, has the ability to make others work for him or her. See [764:1/o](#). Someone must produce the things a wealthy person consumes.

Marx uses the word “wealth” not only for the *abundance* or *extravagance* of things enhancing human life; *anything* which enhances human life, however modest it may be, is part of society’s wealth.

Capitalist Mode of Production: At this point, the phrase ‘capitalist mode of production’ is only a name for the topic to be investigated. This name, however, already indicates that capitalist society is characterized by its organization of *production*. It is one of the basic tenets of Marx’s theory of society that the organization of production has a profound influence on all the other social relations.

Marx’s *Capital* therefore offers an explanation of those aspects of capitalism which pertain to the *economy*: money, wage-labor, economic growth, globalization, the business cycle, the coexistence of wealth and poverty, the persistence of economic underdevelopment, etc. Marx’s *Capital* does not give an explanation of capitalist democracy, international political relations, or the recurrence of wars. Occasionally it is possible to draw inferences from the economic structure about the political structures necessary to maintain this economic structure, compare [158:5/o](#), [178:1/o](#), [270:3/o](#). This information about the requirements which the state must meet in order to sustain capitalist economic relations does not yet constitute a theory of the state itself.

The reference to the ‘capitalist mode of production’ in the first sentence indicates that the subject of this chapter is not some historical “simple commodity production” or some utopian “fair and equitable” society, but capitalism. Marx’s *Capital* is not a blueprint for a socialist economy. It is an attempt to gain a thorough understanding of *capitalism*. It is necessary to understand capitalism in order to overcome it.

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Reigns: The word “reigns” has two meanings. One the one hand it simply means: where the capitalist mode of production prevails, where it is the main form of production. However, Marx’s word is not “*vorherrscht*” (prevails) but the shorter and stronger “*herrscht*,” whose principal meaning is “to rule.” Perhaps Marx wanted to express one of the following points with this:

- All relations of production known today, whether capitalist or not, can be said to “rule”, because of the fundamental role of those social relations having to do with *production* among the broader social relations.
- If the capitalist mode of production comes in contact with other modes of production, it tends to corrode them and supplant them by capitalist relations.

The French edition says “reigns,” while the Moore-Aveling translation says “prevails.” In a letter to Engels on April 2, 1858, Marx uses the unambiguous

transitive verb “dominates” (*beherrscht*), but the subject is not capitalism but exchange: “presupposes . . . the elimination . . . of all undeveloped,

pre-bourgeois modes of production, which are not dominated to their full extent by exchange.” [mecw40]298:5/o

Commodity: A commodity is *something produced for sale or exchange*. This is what the reader needs to know about the commodity in order to follow the argument. In English business parlance, the word ‘commodities’ is used for products which are available from many suppliers, and which are standardized, so that there is no reason, apart from price, for the buyer to prefer one supplier over another. Marx does *not* mean it this way. For him, a commodity is everything, whether raw material or finished good, whether a specialized brand name article or a staple, that is produced for sale.

Exam Question 11 *What is a commodity? Marx does not give the definition of a commodity but an analysis. How would you define the thing he analyzes? (The answer can be given in one sentence.)* 2009fa, 2008fa, 2007fa, 2007SP, 2005fa, 2004fa, 1999SP, 1998WI, 1997sp, 1996sp, 1995ut, 1995WI.

Presents Itself as an Immense Heap of Commodities: Two different assertions are woven together in this clause:

- In capitalist society, wealth takes the form of commodities, i.e., almost all the things which make up the riches of capitalist society are produced for and traded in markets. They are produced not because they constitute wealth, but because they can be sold at favorable prices. “Even during a famine, corn is imported because the corn-merchant thereby makes money, and not because the nation is starving.” (Marx quoting Ricardo in *Contribution*, 389/o.)
- This is *obvious*, everyone is aware of it, and the members of capitalist society handle commodities and purposefully treat them as commodities every day. (We will see later that many other important aspects of capitalist social relations do *not* enter general awareness but arise “behind the back” of purposeful activity.)

The word that is translated here as “presents itself” is in German “*erscheint*,” i.e., literally, “appears.” Marx conscientiously uses the word “appear” whenever he discusses the manifestation of some invisible background on an accessible stage. Here this invisible background is

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social wealth. Much of what is done in any society has to do with the production and disposition of wealth. In capitalism, this wealth confronts the practical activity of the individuals mainly in the form of commodities.

Fowkes translates “*erscheint*” with “appears,” i.e., he, like Marx himself, emphasizes the first assertion; by contrast, the Moore-Aveling translation

(“presents itself”) and the French translation (“s’annonce comme”) emphasize the second assertion. Earlier versions of this sentence in Marx’s other publications or

manuscripts *separate* these two assertions more clearly than the very condensed formulation here in *Capital*. Compare *Contribution*, 269:1 and *Grundrisse*, 881:2.

Question 15 (Mon Aug 23–Thu Aug 26) *Give examples for alternative forms, other than the commodity form, in which material wealth confronts the individual member of society (either in non-capitalist societies, or non-commodity wealth in capitalist societies).* [2008fa](#), [2001fa](#), [1997sp](#), [1997WI](#).

First Sentence as a Whole: The clause “wealth presents itself as an immense heap of commodities” is critical of the social form taken by wealth in capitalist society, not of wealth itself. Wealth has become a *collection of things*, and therefore has only a very extraneous relation to the individuals who avail themselves of this wealth. The ownership of money or commodities does not require any essential relation between the owner and the object—while wealth of sheep, for instance, in earlier societies was only possible if the owner was a capable shepherd; see *Grundrisse* 221/222.

Question 20 (Mon Aug 23–Thu Aug 26) *Describe a situation in daily life in which the extraneous character of the relation between wealth and wealth holder becomes an issue.* [2008fa](#), [2004fa](#), [2001fa](#), [1998WI](#), [1995WI](#).

Question 23 (Mon Aug 23–Thu Aug 26) *Is capitalism the only type of society known to us in which all wealth takes the form of commodities? (In order to answer this question properly you should already have some knowledge of Marx’s Capital.)* [2000fa](#).

Question 24 (Mon Aug 23–Thu Aug 26) *What does the study of commodities have to do with the classes in capitalist society (capitalist class and working class)?* [2008fa](#), [2005fa](#), [2004fa](#).

[Invitation to Begin the Analysis of Capitalism with the Commodity]

All this was a discussion of the first sentence only. It is time to go on:

The single commodity appears as the ele- | ... die einzelne Ware als seine Elementar-
| *mentary form* of this wealth. | *form*.

↑ This means on the one hand that the commodity is a simple or *elementary* (as in elementary algebra) form of wealth. Indeed, a one-line definition sufficed to define the commodity, a commodity is anything produced for sale or exchange. In the *Introduction* to *Grundrisse*, [mecw28]37:2–38:1, Marx says that the mind has to begin with such simple categories in order to assimilate the world, even though these simple categories may not refer to the most fundamental relations in reality. In his *Notes on Wagner*, [mecw24]545:2/o Marx calls the

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commodity “the simplest economic concretum,” i.e., it is not an abstract concept but something concrete that one can touch, but it is the simplest such thing. Instead of saying that in capitalism, most wealth takes the form of commodities, it would also have been true to say that most labor takes the form of wage-labor—but the definition of wage-labor is not elementary but presupposes the definition of many other economic categories first.

On the other hand, Marx says here that the commodity is the elementary form of *wealth*, i.e., that other forms of wealth can be reduced to, or are developments of, the commodity form. In the preface to the first edition of *Capital*, p. 89:3/o, Marx brings a fitting metaphor: the study of the commodity is just as important for an understanding of the capitalist economy as the study of *a single undifferentiated cell* is for an understanding of the human body. We cannot yet know at this point whether this is true, i.e., Marx announces here how one will be able to justify this starting point once the investigation of all social forms of wealth is complete.

The analysis of the commodity will therefore be the starting point of our investigation.

Unsere Untersuchung beginnt daher mit der Analyse der Ware.

This sentence has a “therefore” in it, i.e., Marx is drawing an inference from what was just said about the commodity. Regarding the character of this inference, textual evidence is ambiguous.

- The Moore/Aveling translation says that the analysis of the commodity “must be the starting point,” which is stronger than the German “will be the starting point.” We can assume for sure that Marx and Engels knew about and approved the “must” in the English version. This text variant indicates that Marx has convinced himself that the commodity is the necessary starting point, perhaps because it is the elementary form of wealth as just explained, even though he cannot give a full proof of this here.
- In the formulation in the German edition, “will be the starting point,” Marx uses what was just said as grounds to begin his book with the commodity, without claiming that this is the only possibility. It can be seen as an invitation: if commodities are so prevalent in capitalist society, then an analysis of the commodity looks like a good place to begin the investigation of capitalism. Therefore let’s do it!

In the debate around “where to begin,” two questions should not be confused. One is whether certain things must be explained before others, for instance, whether it is necessary to explain the commodity before one can explain capital. Marx clearly argues that it is. Reality has different layers, i.e., certain real things are built on top of other things (which are themselves equally real). Somehow, the commodity is “simpler” than money, and money “simpler” than capital. In *Grundrisse*, 259, Marx writes:

In order to develop the concept of capital, it is necessary to begin not with labor but with value or, more precisely, with the exchange-value already developed in the movement of circulation. It is just as impossible to pass directly from labor to capital as from the different human races directly to the banker, or from nature to the steam engine.

Um den Begriff des Kapitals zu entwickeln, ist es nötig nicht von der Arbeit, sondern vom Wert auszugehen, und zwar von dem schon in der Bewegung der Zirkulation entwickelten Tauschwert. Es ist ebenso unmöglich, direkt von der Arbeit zum Kapital überzugehen, als von den verschiedenen Menschenrassen direkt zum Bankier oder von der Natur zur Dampfmaschine.

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The other question is whether it is necessary to furnish a proof, already at the beginning, that this is where one should begin. This is impossible and also unnecessary. In order to know what a good starting point is one must have results, but we are just at the beginning, i.e., we do not yet have any results. As long as the reader cannot take issue with the content of the writer's arguments, he or she should therefore not interrupt the writer at the beginning with the question "why do you begin here?"

Question 25 (*Mon Aug 23–Thu Aug 26*) *Would it have been possible to start the book Capital with a more common-sense definition of capitalism, such as, capitalist production is production for profit?* [2008fa](#), [2005fa](#), [2003fa](#), [1997ut](#), [1996sp](#), [1995WI](#).

Exam Question 27 *If Marx wanted to start his book with first principles, why did he pick the analysis of the commodity and not the analysis of the production process or the analysis of value?* [2008fa](#), [2005fa](#), [2004fa](#), [2001fa](#), [1995ut](#), [1995WI](#).

Question 28 (*Mon Aug 23–Thu Aug 26*) *How does Marx's starting point differ from usual approaches to economics?* [2009fa](#), [2008fa](#), [2007fa](#), [2005fa](#), [2000fa](#), [1996ut](#).

After Marx's two-sentence justification why one should begin with the commodity, the analysis of the commodity begins without further ado. It will take up the whole chapter One.

[Every Commodity is a Useful Thing]

In his *Notes to Wagner*, [[mecw24\]544:6/o](#)], Marx writes that his point of departure is the "form of appearance" of the commodity, i.e., the form in which the commodity enters the practical activity of the economic agents. ↓ Let us therefore imagine that Marx is interviewing someone living in a capitalist society. Marx gives this person a commodity and says: "Here is a commodity. I would like to know what this commodity is for you. Please describe to me what you see." The first answer Marx is likely to get is: "Oh, I see a useful object."

125:2 The commodity is at first an exterior object, a thing, which by its properties satisfies human wants of one sort or another.

49:2 Die Ware ist zunächst ein äußerer Gegenstand, ein Ding, das durch seine Eigenschaften menschliche Bedürfnisse irgendeiner Art befriedigt.

Fowkes translates this sentence as: "The commodity is, first of all, an external object, a thing which through its qualities satisfies human needs of whatever kind." The formulation "first of all" can be misunderstood to mean that this is the main property of the commodity, that the other properties of the commodity are secondary. It is not Marx's intention to say this. Even if one interprets the formulation "first of all" as a matter of order in the representation, not a matter of importance, it wrongly evokes the

image that we could say many things about the commodity, but this is what we choose to say first. However we do not have this choice: the other things cannot be said without saying this thing first, they should therefore not be imagined to be coexistent with this first thing. The "all" of which this is the "first" do not yet exist.

And looking at the end of the sentence, Fowkes's formulation "of whatever kind" collapses two steps into one: (1) the commodity satisfies some want, and (2) it does not matter which want it satisfies.

Step (2), the *indifference* towards the kind of want, comes only in the next sentence. But in defense of Fowkes one could say that the French translation, which was closely edited by Marx himself, collapses these two steps as well.

The Moore-Aveling translation is: "The commodity is, in the first place, an object outside us, a thing which by its properties satisfies human wants of some sort or another." The formulation "in the first place" makes this first step too static: it gives it a permanent "place" instead of formulating it as

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a transient point of entry, which one has to pass through in order to get to the other things. And calling the commodity “an object outside

us” adds the interpretation to the text that this is what the commodity is for us, the reader,

describing here what the commodity is for those handling the commodity.

although I think Marx is

The commodity is called an “exterior” object because it exists outside humans. Despite its independent existence, this object “satisfies human wants of one sort or another.” This has important implications. In order to survive, humans must consume exterior things which they must produce socially with the help of other exterior things. If the social control over these things is such that one part of society is forced to work for another part of society, this is called “exploitation.” Marx is therefore very aware of the exterior character of these useful things. He addresses it in his *Introduction* to *Grundrisse* [mecw28]31:2/o with respect to the finished product, and in his *Critique of the Gotha Programme* [mecw] with respect to the means of production. In *Capital* itself, he takes up this theme in chapter Two, p. 181:3/o, and chapter Nineteen, p. 675:3.

Although a commodity is more than just a useful object—the reader should think of it as a useful object produced for the exchange—the first thing the practical agents notice when they hold a commodity in their hands is that it is such a useful object. This is the place where one has to start if one wants to know what the commodities are for the practical agents and what they, therefore, do with the commodities. Despite its familiarity, the concept of a useful object it is not entirely trivial. Marx is using almost a page to elaborate on it. The remainder of the current paragraph clarifies what “useful” means, the next paragraph will say a few things about “exterior objects,” and the paragraph after this asks how such exterior objects can be useful.

The nature of such wants, whether they arise, for instance, from the stomach or from imagination, makes no difference.²

Die Natur dieser Bedürfnisse, ob sie z.B. dem Magen oder der Phantasie entspringen, ändert nichts an der Sache.²

“Phantasie” is translated here with *imagination*. A commodity which

has no use whatever, but people think it does, has a use-value.

↑ Marx does not mean to say here that all human wants are equal. He merely says that the nature of the want which a commodity satisfies has no bearing on its economic role as a *commodity*. Market relations do not ask whether a product is socially desirable or not. They do not distinguish between use-values that satisfy some basic needs, and those that are not immediately necessary for human survival. The only thing that matters is whether it can be sold at a favorable price.

Because of this indifference, the commodity form can become the general form of wealth only in societies which have achieved material abundance. Productivity must be quite high for society to be able to “afford” a social form of wealth which is indifferent towards the use-value. Marx says something to this effect in his *Introduction* manuscript, p. [mecw28] 41:2–42:0. Even today, some branches of production are exempted from the commodity form because the commodity form has socially undesirable ramifications: education, roads. Increases in wealth and productivity allow more and more of such services to be “privatized.”

Question 31 (Mon Aug 23–Thu Aug 26) Using modern experience, describe some implications, good or bad, of the indifference of market relations towards the nature of the needs which the commodity satisfies. [2008fa](#), [2005fa](#), [1998WI](#), [1996ut](#), [1995WI](#).

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This indifference makes it possible that some people are undernourished and homeless in the midst of great wealth and waste. However this indifference is also a liberation from the mediocrity and boredom of a strictly needs-based production.

↓ The next sentence in the main text clarifies that producer goods satisfy human wants, but they do so indirectly.

Nor does it matter here *how* the object satisfies these human wants, whether directly as object of consumption, or indirectly as means of production.

Es handelt sich hier auch nicht darum, *wie* die Sache das menschliche Bedürfnis befriedigt, ob unmittelbar als Lebensmittel, d.h. als Gegenstand des Genusses, oder auf einem Umweg, als Produktionsmittel.

In the Moore/Aveling translation, this last sentence begins with “neither are we here concerned to know how” instead of “nor does it matter here.” Also the French edition has the word “savoir” (to know) in this sentence. This reference to “our concerns to know” is out of place. Marx is discussing here the social properties of commodities: although they are inanimate things they harness human activity. The commodities’ practical usefulness acts as a lens which focuses the diffuse activities of those human individuals who deal with them. This focusing power is so strong that it is no longer correct to say that the commodities are the objects of individual actions; instead, the actions of the individuals handling the commodities must be seen as the effects of the social power located in the commodity. It is not the commodity owners who act, but the commodities act *through* their owners.

The commodity’s ability to focus human activity is the same whether the commodity satisfies the needs of the stomach or the needs of human imagination, whether it satisfies them directly as means of consumption or indirectly as means of production. This is relevant information about capitalist society. It is a statement about the real world, not an announcement of the topics Marx chooses to discuss here. In other words, it is meant as an ontological statement, whereas the Moore/Aveling translation converts it into an epistemological statement. This transposition of ontological into epistemological facts is called the “epistemic fallacy.” It is a form of irrealism, since it shifts all the activity into the head and does not see the activity in the world. Fowkes’s translation has it right this time, but similar errors appears many times in both translations.

From the indifference of the social powers of the commodity towards the nature of the use-values follows that the key to an understanding of the commodity cannot be found in the wants it satisfies! This is the point where Marx parts ways with all of utility theory. Had Marx foreseen how entrenched the “subjective” concept of value would become (which does derive the value of a thing from the wants it satisfies), he would probably have said more about it at this point. The only place where he addresses the subjective concept of value is a brief remark about the disutility of labor in footnote 16 paragraph 137:1 in section 1.2. Also Marx’s criticisms of Jeremias Bentham (see for instance footnote 63 to paragraph 758:1/oo in chapter Twenty-Four) are criticisms of the foundations of modern neoclassical utility theory.

Question 32 (Mon Aug 23–Thu Aug 26) *What might Marx have said about the subjective value concept at this point? 2008fa, 1997ut.*

Although Marx is right to emphasize here, at the very beginning of the investigation, that the social powers of commodities have nothing to do with their use-values, we will get to know later several important cases in which the use-value does have economic implications. The use-value of gold mimics the social properties of value (this is why gold became the

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money commodity) 183:2/o, the use-value of labor-power is the value which it creates 270:1, the use-value aspects of production give rise to the economic categories of constant capital and fixed capital, etc.

Exam Question 33 Does the use-value of a commodity depend on the person using it?
2008fa, 2008SP, 2007fa, 2007SP, 2004fa, 2002fa.

125:3/o Every useful thing, such as iron, paper, etc., is to be looked at under two aspects: *quality* and *quantity*.

49:3/o Jedes nützliche Ding, wie Eisen, Papier, usw., ist unter doppeltem Gesichtspunkt zu betrachten, nach *Qualität* und *Quantität*.

By “quality of a thing” Marx means those characteristics which distinguish different kinds of things. Such qualitative differences have a deep significance for commodities; if all commodities were qualitatively equal, there would be no need for exchange. But even if the qualities are the same, things can still differ quantitatively. Quantities play an important role for commodities as well; in order to exchange different kinds of commodities, the quantities must be adjusted accordingly. Marx is therefore discussing here the foundations, the basic alphabet, from which commodity relations are constructed. ↗ He discusses quality first:

Every such thing is an assemblage of many properties, and can therefore be useful in various ways. The discovery of the different aspects of things and therefore of their manifold uses is a historical deed.³

Jedes solche Ding ist ein Ganzes vieler Eigenschaften und kann daher nach verschiedenen Seiten nützlich sein. Diese verschiedenen Seiten und daher die mannigfachen Gebrauchsweisen der Dinge zu entdecken ist geschichtliche Tat.³

↗ How can a thing have properties which are not obvious but must be discovered? The answer lies in a throwaway remark of Marx's in 149:2/o, according to which the properties of things manifest themselves in their relations with other things. This is a secret critique of Hegel's *Logic*. In Hegel's system, the properties of things are more basic than the things themselves. For Marx, the existence of the things is the basic given. The properties slumber inside the things and must be awakened through practical interaction with them.

The example in footnote 3 illustrates the importance of this historical process of discovery:

³ “Things have an intrinsick vertue” (this is Barbon's special term for use-value) “which in all places have the same vertue; as the loadstone to attract iron” [Bar96, p. 6]. The property which the magnet possesses of attracting iron, became of use only after discovery, by means of that property, of the polarity of the magnet.

³ „Dinge haben einen intrinsick vertue“ (dies bei Barbon die spezifische Bezeichnung für Gebrauchswert), „der überall gleich ist, so wie der des Magnets, Eisen anzuziehen“ [Bar96, p. 6]. Die Eigenschaft des Magnets, Eisen anzuziehen, wurde erst nützlich, sobald man vermittelst derselben die magnetische Polarität entdeckt hatte.

↗ Marx does not agree with Barbon that the use-value of something is always the same. The magnet's ability to attract iron, which has been known for centuries, for a long time remained a mere curiosity. The main use of magnets was not their ability to attract iron, but the compass (there is no iron at the North Pole, and the North Pole does not attract the compass needle, it only turns it). Only after scientists, in their attempts to explain these magnetic phenomena, discovered the electromagnetic field (Marx calls it “magnetic polarity”), did electromagnetic phenomena obtain a major impact on human life (electric lights, telegraph, radio waves).

Things which have the same quality can still differ quantitatively. Hegel's basic definition of quantity is that it is a characteristic of the thing which does not define the thing. Even if you change the quantity of a thing you still have the same thing. However if this was the

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whole truth then one would find everything in all quantities. But elephants are always big and mice always small. To do justice to this, Hegel introduces the concept of “measure” for the right quantity for a given quality.

For Hegel, the measures, just like the qualities, are intrinsic to the things. In Marx’s paradigm, not only the qualities but also the measures depend on practical (social) activity: So is also the establishment of social *measures* for the *quantities* of these useful objects. | So die Findung gesellschaftlicher *Maße* für die *Quantität* der nützlichen Dinge.

Fowkes’s “socially recognized standards of measurement” is imprecise. On the one hand, social *recognition* is only one part of

sociality. On the other, Marx distinguishes between *Maß* and *Maßstab*. The main historical deed is not the finding of a unit of

measurement but to discover qualitatively how something should be measured.

Since the qualities are different, also the measurements for the different use-values are different. In *Contribution*, 269:2, Marx gives examples:

Different use-values have different measures appropriate to their different characteristics; for example, a bushel of wheat, a quire of paper, a yard of linen.

Ihrer natürlichen Eigenschaften gemäß besitzen verschiedene Gebrauchswerte verschiedene Maße, z.B. Scheffel Weizen, Buch Papier, Elle Leinwand, usw.

These examples show that not only the measuring units themselves, but also the question whether the object is measured by its weight, volume, length, energy content, etc., are determined socially. Some things have more than one measure. For instance, wages can be measured in several different ways, see 683:4/o.

Question 36 (Mon Aug 23–Thu Aug 26) Can you think of an example in which the quantity of something affects its quality, for instance some physical matter two litres of which are qualitatively different than one litre of it? 2008fa, 2008SP, 2007SP, 2005fa, 2003fa, 1995ut.

Marx concludes his brief discussion of quantity with the observation that the quantitative measures are only in part determined by the qualities of those things; in part, they depend on social convention—for instance, the measuring units:

The diversity of these measures of commodities originates in part from the diverse nature of the objects to be measured, and in part from convention.

Die Verschiedenheit der Warenmaße entspringt teils aus der verschiedenen Natur der zu messenden Gegenstände, teils aus Konvention.

After these general considerations about the nature of the things themselves Marx goes into more detail how these things can be useful for humans. One might say that the preceding paragraph discussed the useful *thing*, while the next paragraph will discuss the *useful* thing.

126:1 The usefulness of a thing makes it a *use-value*.⁴

50:1 Die Nützlichkeit eines Dings macht es zum *Gebrauchswert*.⁴

This introduction of the term “use-value” sounds like a tautology—but it is not. For a correct understanding of this sentence, it is necessary to clarify the difference between the *properties* of a thing, its *usefulness*, and its *use-value*:

- Properties are intrinsic to a thing. One should consider them as something dormant, the thing’s potential. These properties wake up and manifest themselves only when the thing is placed in a *relation* with other things.

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- The usefulness of a thing (in the first edition of *Capital*, 18:2, Marx writes more explicitly: usefulness for human life) is the manifestation of its properties in one particular relation, namely, in its relation to humans. The usefulness of a thing is therefore not intrinsic to the thing itself, but it is a relationship *between* the thing's properties and human needs. It depends not only on the thing but also on humans. “A sheep would hardly consider it to be one of its ‘useful’ qualities that it can be eaten by human beings” [mecw24]538:6/o. A thing is useful if its properties are able to serve human needs. Since human needs depend on social factors, such as fashions, technology, and customs, usefulness inherits this dependence.
- The sentence “the usefulness of a thing makes it a use-value” is the definition of “use-value.” The use-value of a thing is its usefulness—which, as was just explained, is a relative concept—*considered as a property of the thing itself*. The use-value of a thing is therefore not one of the properties of the thing, but the relationship between these properties and human needs or wants that is *attributed to the thing as if* it was a property of the thing. (The modern concept of “utility function” attributes this same relationship to the human rather than the thing.)

There are many other examples of such relative “properties”; *beauty* is perhaps the most familiar one. It is, strictly speaking, not a property of a thing to be “beautiful.” Rather, “beauty” is a relationship between the properties of the thing and the human senses and feelings, which is nevertheless attributed to the thing alone. The proverb “beauty is in the eye of the beholder” reminds us of the relative character of the concept.

Question 37 (Mon Aug 23–Thu Aug 26) Bring other examples of relative “properties” such as beauty or use-value. 2008fa, 2008SP, 1995WI.

Things which are useful for human life are given special names, they are called “goods” or “articles,” because people are practically appropriating them in the production process and also have to haggle with others over these things. This is why they first practically and then theoretically distinguish the things which are useful to them from all other things. All this is explained in Marx’s notes on Wagner, beginning with [mecw24]538:6/o.

The attribution of the usefulness to the thing itself is not just a theoretical exercise but it reflects social reality. There is a subtle difference between saying: “I am using the thing” and: “the thing has use-value for me.” In the first phrase, the human is the agent in control, in the second phrase, the human has become the consumer of the beneficial properties of the thing. The individual’s ability to use external things to serve his or her needs has become a power of the thing itself. Marx’s statement that commodities have use-value is a statement about how commodity-producing society relates to things: things are viewed as imbued with powers.

Question 38 (Mon Aug 23–Thu Aug 26) Why is the usefulness for human life attributed to the thing as if it was a property of the thing itself? 2008fa, 2007fa.

Locke’s definition of use-value (which he calls “natural worth”) in footnote 4 is in full accord with Marx’s: it vividly describes how a relative concept (“fitness for human life”) becomes an attribute of the thing itself.

⁴ “The natural worth of anything consists in its fitness to supply the necessities, or serve the conveniences of human life.” John Locke, [Loc77, p.

⁴ „Der natürliche worth jedes Dinges besteht in seiner Eignung, die notwendigen Bedürfnisse zu befriedigen oder den Annehmlichkeiten des

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menschlichen Lebens zu dienen“. John Locke, [Loc77, p. 28].

Question 39 (Mon Aug 23–Thu Aug 26) *What is the meaning of “natural” in the term “natural worth”?* [2008fa](#), [2005fa](#).

Question 40 (Mon Aug 23–Thu Aug 26) *Take some simple object, a shoe or a rubber ball, and differentiate between its properties, its usefulness, and its use-value.* [2008fa](#), [1997WI](#), [1995WI](#).

↓ The practical mind does not notice the difference between the use-value of a thing and its properties, because one needs possession of the thing in order to be able to take advantage of its usefulness. Marx formulates this as follows:

But this usefulness does not dangle in mid-air. Conditioned by the physical properties of the body of the commodity, it has no existence apart from the latter.

Aber diese Nützlichkeit schwebt nicht in der Luft. Durch die Eigenschaften des Warenkörpers bedingt, existiert sie nicht ohne denselben.

The translation “derived” is wrong. The usefulness of a thing cannot be derived from its physical properties; one also needs to

consider the humans involved, both physically and socially. Marx means “conditioned” mainly in an enabling sense here, although the

modern meaning emphasizes more its restrictive dimension.

The terminology “body of the commodity” shows that for Marx, the thing which physically makes up a commodity cannot be identified with the commodity itself—just as a person cannot be identified with his or her body. (The social “soul” of a commodity, its value, will be discussed shortly.)

To paraphrase Marx’s argument: what people really want is the use-value of the things, not the things themselves, but they can only benefit from these use-values when they have possession of the things themselves. This is the basis for the social rules in a commodity society regulating who can have access to which *things*.

Question 42 (Mon Aug 23–Thu Aug 26) *Do transportation, electricity, information, services, patents, other so-called “immaterial” commodities, fit under the definition of a commodity given here?* [2008fa](#).

Some products have a use-value which does not require the presence of the original product but which can be conveyed by simple copies of the product. Often, capitalism has created institutions (patents and copyrights) which mimic the basic relationship described here that the use-value is only available if the unique original product is present. While capitalism extends commodification in some areas, it also restricts it in others. Things which according to their use-values are perfectly capable of being traded as commodities, do not take commodity form for overriding social reasons: the use of roads, public education, radio/TV, certain banking services, etc.

Finally it may be worth pointing out that the formulation “does not dangle in mid-air” is again a critique of Hegel and of all idealist philosophy. For Plato and Hegel, the properties of things *were* dangling in the air, they had their separate existence as ideals.

After having introduced, ever so briefly, the relationship between use-value and the properties of the commodity, and the distinction between the commodity and the body of the

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commodity, Marx obtains permission from the reader to simplify his wording by calling the body of the commodity “*a use-value*.”

The *body* itself of the commodity, such as iron, wheat, diamond, etc., is therefore a *use-value* or a good.

Der *Warenkörper* selbst, wie Eisen, Weizen, Diamant usw., ist daher ein *Gebrauchswert* oder Gut.

This sentence cannot be understood in the Moore-Aveling translation: “A commodity, such as iron, corn, or a diamond, is therefore, so far as it is a material thing, a use-value, something useful.”

The version of this sentence in the First Edition of *Capital*, 18:2, leaves no doubt that this is a terminological convention:

For the sake of brevity, the useful thing itself or, in other words, the *body of the commodity*, such as iron, wheat, diamond, etc., will be called a *use-value*, good, article.

Abkürzend nennen wir das nützliche Ding selbst oder den *Warenkörper*, wie Eisen, Weizen, Diamant usw., *Gebrauchswert*, Gut, Artikel.

In the later editions, it is still a terminological convention, but since Marx furnishes a better logical justification for it, and at the same time uses a terser formulation, it has become more difficult to see that it is merely a convention. The argument is: In order to avail oneself of the use-value of a commodity, nothing more nor less is necessary than its physical presence. Therefore it is justified, when speaking about the body of the commodity, to simply call it “*a use-value*.” The word is therefore used in two meanings, which do not conflict with each other.

Use-value can also be attached to the absence of things: the absence of illness, crime, pollution, etc. Since these use-values cannot be commodified as readily, they are neglected in a commodity society.

↓ After saying that for the enjoyment of the use-value the physical presence of the commodity is needed, Marx emphasizes that this is all that is needed.

This characteristic of a commodity does not depend on whether appropriating its useful properties costs more or less labor.

Dieser sein Charakter hängt nicht davon ab, ob die Aneignung seiner Gebrauchseigenschaften dem Menschen viel oder wenig Arbeit kostet.

It is the physical properties of the good and only those that convey its use-value. The labor producing the product is no longer there. It has disappeared into the product; it is *sublated* (*aufgehoben*) in its result. About *Aufhebung* compare Hegel’s Logic, [Heg69a, pp. 106–108].

↓ The usefulness of a commodity not only depends on its properties with reference to human needs (its use-value), but also on its quantity. One milligram of milk will not do for the baby. This is the reason why society does not abstract from the quantities of the use-values—they play an important part in exchange relations. Our theoretical discourse about economic relations has to follow suit:

When examining use-values, we always assume to be dealing with well-defined quantities, such as *dozens* of watches, *yards* of linen, or *tons* of iron.

Bei Betrachtung der Gebrauchswerte wird stets ihre quantitative Bestimmtheit vorausgesetzt, wie *Dutzend Uhren*, *Elle Leinwand*, *Tonne Eisen* usw.

This is all Marx says about use-value here. Since the commodity form is (at first) indifferent towards the kinds of use-values, any closer consideration of the particularities of

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use-values cannot enlighten us about the character of social and economic relations in capitalism. Of course, this does not mean that use-values are irrelevant for practical life:

The use-values of commodities furnish the material for a special branch of knowledge, whose textbooks are the commercial product manuals.⁵

⁵ In bourgeois societies the legal fiction prevails that every one, as a buyer, possesses an encyclopedic knowledge of commodities.

↑ This knowledge is not taught in schools but passed on informally: hardware is a popular conversation topic.

Die Gebrauchswerte der Waren liefern das Material einer eignen Disziplin, der *Warenkunde*.⁵

⁵ In der bürgerlichen Gesellschaft herrscht die *fictio juris*, daß jeder Mensch als Warenkäufer eine enzyklopädische Warenkenntnis besitzt.

Transition to Exchange-Value

The remainder of the paragraph paves the ground for the discussion of the next major topic, the *exchange-value*.

Use-value actualizes itself only by use or consumption.

Der Gebrauchswert verwirklicht sich nur im Gebrauch oder der Konsumtion.

The Moore-Aveling translation has a colon between this sentence and

the next. I replaced it with a period, as in the German and also

the Fowkes translation. I see no reason for a colon here.

A thing may have the most beneficial properties for humans, people will not benefit from it unless they take a specific act of “using” the thing. This act of using is often, but not always, at the same time the “consumption” of the things, i.e., it destroys the thing or makes its use-value unavailable for others.

The above sentence also clarifies the terminology: if one exchanges things, or also if one collects them in the basement in the hope that they will appreciate, one does *not* use them. “Use” is seen here in contradistinction to exchange.

Question 45 (Mon Aug 23–Thu Aug 26) *Is it also true that exchange-value only realizes itself in exchange? (Difficult question which requires good knowledge of Marx.)*

Question 46 (Mon Aug 23–Thu Aug 26) *Certain use-values are produced with the purpose never to be used. For instance nuclear weapons which are developed for the sake of deterrence. It is true for these use-values too that their use-value actualizes itself only in its use?* [2008fa](#), [2007fa](#).

Use-values constitute *the material content of wealth*, whatever its *social form* may be.

Gebrauchswerte bilden *den stofflichen Inhalt des Reichtums*, welches immer seine gesellschaftliche Form sei.

↑ A thing which has properties useful for human life, considered from the point of view of its possible uses by humans, is called “use-value.” People handle use-values every day. Their existence depends on use-values. This is true in every society. The available use-values constitute the material wealth of a society. ↓ But in capitalism, useful things have an additional specific social power: they can be traded or sold on the market.

In the form of society we are about to consider, they are, in addition, the material carriers of—exchange-value.

In der von uns zu betrachtenden Gesellschaftsform bilden sie zugleich die stofflichen Träger des—Tauschwerts.

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I avoided translating “*stoffliche Träger*” with “material depository.” The emphasis is not on someone or something depositing exchange-value in the article, but that any commodity whose use-value is intact has the additional power of being exchangeable.

↑ Exchange-value is that social relation or social custom which allows commodities to be traded for each other or for money. Marx’s short sentence introducing the exchange-value makes the following implicit claims:

- Exchange-value is social, not individual. If two individuals decide to exchange something which is not commonly exchanged, this does not give this thing an exchange-value.
- Exchange-value resides in the commodities themselves. The exchange of commodities is not embedded in a bigger social ritual (as the exchange of wedding rings is embedded in the marriage ceremony), but the things themselves are exchangeable (if they are commodities). Exchange-value is also not attributed to the commodity owner, but the commodity itself. Although the commodity owner names the exchange proportions and decides on the exchange, these exchange proportions are considered to belong to the commodity, not its owner.
- Exchange-value cannot be derived from the use-values involved. Rather, commodities have a second quality, separate from their use-values, which allows them to be traded on the market.

Marx characterizes the relation between use-value and exchange-value with the words: use-values are the material “*carriers*” of exchange-value. What does this mean? If a commodity loses its use-value then it also loses its exchange-value. Nevertheless the use-value is not the source of the exchange-value: if a certain use-value becomes freely available to all (bread growing on wild trees) then it still is a use-value but no longer has exchange-value. Marx will elaborate on this relationship in 131:1, after we know better where exchange-value comes from.

Question 47 (Mon Aug 23–Thu Aug 26) Which of the following did Marx say, and could he also have said any of the others?

- (a) The commodity is the carrier of exchange-value.
- (b) The use-value is the carrier of exchange-value.
- (c) The commodity is the carrier of value.
- (d) The use-value is the carrier of value. [2009fa](#).

Exam Question 50 What is the exchange-value of a commodity? (Give its definition, not an analysis where it comes from). [2009fa](#), [2008fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [1999SP](#), [1998WI](#), [1997sp](#), [1996ut](#), [1996sp](#), [1995WI](#).

Question 51 (Mon Aug 23–Thu Aug 26) Joseph, who lives in a capitalist society, regularly swaps his wife with the wife of his friend. Does this mean Joseph’s wife has exchange-value in capitalism? [2008fa](#), [2005fa](#), [2003fa](#), [1997ut](#), [1996ut](#), [1996sp](#).

Question 52 (Mon Aug 23–Thu Aug 26) In the United States of America, children who lose their baby teeth often get a quarter for each tooth from their mother who pretends to be the tooth fairy. Does this mean that baby teeth have exchange-value in this society? [2008fa](#), [2005fa](#).

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Question 53 (Mon Aug 23–Thu Aug 26) If husband and wife exchange wedding rings during their marriage ceremony, does this establish a special exchange-value for these rings? [2008fa](#).

Question 54 (Mon Aug 23–Thu Aug 26) What would a Marxist say about the following argument: the exchange-value of an item is created through demand, not by the item itself. If nobody demands the item, it cannot be traded for anything. In other words, exchange-value is created by people wanting the item. [2008fa](#), [2005fa](#), [2004fa](#), [2003fa](#), [1998WI](#).

Exam Question 55 Explain in your own words what it means to say that use-values are the “material carriers” of exchange-value. [2009fa](#), [2008fa](#), [2005fa](#), [2004fa](#), [2002fa](#), [2001fa](#), [1995ut](#), [1995WI](#).

Question 57 (Mon Aug 23–Thu Aug 26) If the exchange-value of a commodity cannot be derived from its use-value, then a used commodity should have the same exchange-value as a new commodity, as long as it is not broken. Right or wrong? [2008fa](#), [2003fa](#), [1997ut](#).

Question 58 (Mon Aug 23–Thu Aug 26) The use-value of a commodity is the utility one gets from using it; the exchange-value is the utility one gets from using those things one can trade the commodity for. Right or wrong? [2008fa](#), [2007fa](#), [1998WI](#).

1.1.b. [From Exchange-Value to Value]

In the practical activity involving commodities, two different aspects of each commodity demand the attention of its owner: on the one hand, its use-value, and on the other, the quality which was just introduced, namely, its exchange-value. This double character of the commodity is so basic that in *Contribution*, 269:1, it is the first thing Marx says about the commodity. In *Capital*, by contrast, these two aspects are introduced sequentially. Marx first gives a brief discussion of use-value and only afterwards introduces exchange-value. Right now we are at the beginning of the discussion of exchange-value. Imagine Marx still interviewing the individual in capitalist society, this time asking “tell me about the exchange-value of your commodity.” Most likely, this person would reply: “The exchange-value consists in the amount of other commodities which I can get for mine.” This is the most striking practical implication of the exchange-value of a given commodity:

126:2 Exchange-value manifests itself at first as the *quantitative relation*, the proportion, in which use-values of one sort are exchanged against use-values of another sort⁶—…

50:2/o Der Tauschwert erscheint zunächst als das *quantitative Verhältnis*, die Proportion, worin sich Gebrauchswerte einer Art gegen Gebrauchswerte anderer Art austauschen,⁶…

Marx writes here “at first” because (a) on the one hand, the quantitative exchange proportion between two use-values is the first thing one sees of the exchange-value of a commodity, but (b) on the other hand, the exchange proportion between two isolated commodities is not a full manifestation of exchange-value. For instance, Marx will show in section 1.3 that the existence of money, the thing that can buy every commodity, is also a manifestation of the exchange-value of the commodities.

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[Discovery of a Contradiction]

Interestingly, the first manifestation of exchange-value does not fit together with the things said (or implied) about exchange-value when it was introduced just a paragraph ago. Exchange-value was introduced as something attached to (or “carried” by) a commodity’s use-value. The obvious first manifestation of exchange-value, the exchange proportion, however, cannot be attributed to any *one* commodity; rather it is a relation between *two* commodities.

↓ Marx will remark on this discrepancy shortly, but first he points out that exchange proportions are relative also in a different sense: they are affected by exterior circumstances. At different times and different places, the same commodities may be exchanged at wildly different proportions.

... —a proportion which constantly changes with time and place.	... ein Verhältnis, das beständig mit Zeit und Ort wechselt.
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Everybody living in capitalism is familiar with the relativity and variability of exchange-proportions, i.e., Marx is not saying anything new here. But this variability seems to refute the things said or implied when exchange-value was first introduced. If exchange-value is something immanent in the commodity, one should not expect it to manifest itself as a relation *between* commodities, a relation which is moreover highly variable depending on the circumstances:

Hence exchange-value seems to be something accidental and purely <i>relative</i> . A “valeur intrinsèque,” i.e. an immanent exchange-value, that resides in the commodities, seems therefore a contradiction in terms. ⁷	Der Tauschwert scheint daher etwas Zufälliges und rein <i>Relatives</i> , ein der Ware innerlicher, immanenter Tauschwert (valeur intrinsèque) also eine contradictio in adjecto. ⁷
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An “accidental” outcome is an indeterminate outcome which is not subject to an inner necessity. “Purely relative” means: it does not come from the commodities themselves, but only from their relation to each other.

Although Marx makes it sound as if this was a contradiction in his reasoning about the exchange-value, this is really a contradiction in the thinking and the experiences of people living under capitalism. Both of the discrepant notions which Marx contrasts here with each other are part of common consciousness. Not only is the variability of exchange-proportions obvious to all, but on the other hand people also have the intuition that exchange-value is something anchored in the commodity, it is a second property which commodities have in addition to their use-values. (This is how exchange-value was introduced earlier.) People have contradictory notions in their heads because their lived experience is contradictory.

Marx shared the view of many Hegelians of the time that empirical evidence is full of contradictions, although people often do not recognize them as such. Compare *Contribution*, 275:1/o, and the postface to the Second edition of *Capital*, p. 103:2. Just as Marx considers it a contradiction that money is at the same time a thing and a social relation, so he also considers it a contradiction that exchange-value is at the same time immanent to the commodities and a relation between commodities.

Exam Question 60 Which empirical evidence might lead to the conclusion that exchange-value is not something inherent in the commodity? 2008fa, 2007SP, 2004fa, 2003fa, 2001fa, 1999SP, 1997ut, 1996ut, 1996sp, 1995WI.

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Question 62 (Fri Aug 27–Mon Aug 30) In 126:2, Marx says that certain superficial evidence seems to indicate that exchange-values are accidental and relative. How much truth is there to this? To what extent are exchange-values indeed accidental, and to what extent are they indeed relative? (This question requires familiarity with things Marx says later.) 2008fa, 2007fa.

Question 63 (Fri Aug 27–Mon Aug 30) Are there other places in Capital where Marx says that the exchange values seem accidental? 2008fa, 2007SP, 2005fa.

In a dialectical investigation, the discovery of contradictions is as important as their subsequent resolution. Marx just pinpointed a contradiction in the empirical evidence of commodity-producing economies. This is a scientific achievement. People living in commodity-producing societies typically do not notice that this is a contradiction.

Question 64 (Fri Aug 27–Mon Aug 30) Marx discusses at length the question whether value is intrinsic to the commodity or relative. What is the view of mainstream economics? Does it consider value to be intrinsic or relative? 2008fa, 2008SP.

Evidence which is contradictory cannot be used as a basis for logical inferences. What should a scientist do if the evidence is contradictory? Marx's formulation that the exchange-value "seems" accidental is a hint. The word "seems" stresses the limited character of this inference, which was obtained by looking only at the first manifestation of exchange-value and nothing else. ↓ If this limited viewpoint leads to contradictions, then it is necessary to take a more thorough look at the evidence:

Let us consider the matter more closely. | Betrachten wir die Sache näher.

Exam Question 66 Why does Marx's inquiry sometimes reach an impasse which can only be resolved by "considering the matter more closely"? 2008fa, 2007SP, 2004fa, 1997ut, 1996ut, 1995WI.

↑ This is a standard formulation of Marx's when his investigation reaches an impasse (compare e.g. pp. 180:2 and 300:1/o). Such an impasse does not mean that an error has been made, but that it has become necessary to probe into deeper layers of reality. The next three paragraphs will be devoted to this "closer consideration of the matter," but let us first look at the footnotes to the above paragraph.

[Footnotes]

In the Preface to the Third edition, p. 108:1, Engels writes that the footnotes document "where, when and by whom an economic idea conceived in the course of development was first clearly enunciated." ↓ The first footnote 6 justifies Marx's entry point into exchange-value by documenting that the view of exchange-value as mere quantitative proportions can be found in the literature.

⁶ "The value consists in the exchange proportion between one thing and another, between this amount of one product and that of another." Le Trosne [LT46, p. 889]

⁶ „Der Wert besteht in dem Tauschverhältnis, das zwischen einem Ding und einem anderen, zwischen der Menge eines Erzeugnisses und der eines anderen besteht.“ Le Trosne [LT46, p. 889]

↑ This point of view reflects the practical concerns of the commodity traders, see footnote 17 to 140:3/o, but it is one-sided. A theoretical analysis has no hope of uncovering the real connections if it does not take all aspects into consideration, even if (or especially if) they are contradictory.

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Question 67 (Fri Aug 27–Mon Aug 30) *The French economist Le Trosne wrote that the value of a thing consists in its exchange-proportions with other things. Does Marx agree with this, or how would he re-formulate this proposition to make it correct? 2009fa, 2008fa, 2008SP, 2007fa.*

↓ Footnote 7 shows that also the subsequent step in Marx's argument, which seems to come to the conclusion that exchange-value cannot be inherent in the commodity, has precedents in the literature.

7 “Nothing can have an intrinsick value” Barbon [Bar96, p. 6] or, as Butler says, “For what is worth in anything but so much money as 'twill bring.”

„Nichts kann einen inneren Tauschwert haben“ Barbon [Bar96, p. 6], oder wie Butler sagt: „Der Wert eines Dings ist grade so viel wie es einbringen wird.“

↑ Marx takes the perceptions of these earlier economists seriously. They usually have their justification, even if the authors themselves do not place them in the right context.

Question 68 (Fri Aug 27–Mon Aug 30) *The English economist Barbon wrote that nothing can have an intrinsic exchange-value. Does Marx agree with this, or how would he re-formulate this proposition to make it correct? 2008fa.*

Question 69 (Fri Aug 27–Mon Aug 30) *How is Barbon's statement that nothing can have an intrinsic exchange-value related to Butler's statement that the worth of something consists in the amount of money for which it can be exchanged? 2008fa, 2007fa, 2007SP.*

[First Thought Experiment]

After this look at the footnotes let us go back to the main text. The “closer consideration” announced by Marx consists of two thought experiments in which Marx draws out the implications of two additional familiar facts. Each of these thought experiments picks out a familiar aspect of the activity of individuals when they deal with commodities, and then makes inferences about the social relations which induce individuals to engage in these activities.

↓ The first thought experiment reminds us that one quarter of wheat can not only be exchanged for one other commodity, say a lbs. of iron, but for many different commodities:

127:1 Any given commodity, one quarter of wheat for instance, is exchanged for x shoe polish, or y silk, or z gold, etc.—in short, for other commodities in the *most diverse proportions*.

51:1 Eine gewisse Ware, ein Quarter Weizen z.B., tauscht sich mit x Stiefelwichse oder mit y Seide oder mit z Gold usw., kurz mit andern Waren in den *verschiedensten Proportionen*.

The evidence of actual exchange-value yields therefore two variabilities. Exchange proportions not only vary with time and place, but also with the nature of the equivalent exchanged. While the first variability is beyond the control of individuals and is considered an irregularity, the second variability is a generally accepted and expected property of exchange-values.

Marx focuses on this second kind of variability, the ability of the wheat to be exchanged for many different other goods, because it makes the explanation implausible which offered itself for the first variability. If we consider only one pair of commodities, say 1 quarter wheat versus a lbs. of iron, then it might be plausible to conjecture that their exchange proportion depends on a special relationship between the wheat owner and the iron owner, or

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on the circumstances of the exchange. But if the wheat is exchanged for many other commodities, it is much less plausible to assume that each of these many exchange proportions depends on special relationship which the wheat owner has with the owners of the many other commodities. Rather, this evidence is consistent with it that those different exchanges are but different ways of signaling something that has to do with the wheat owner himself or herself.

Since this may be an unfamiliar kind of reasoning, I will give here an example where something happened to me personally which prompted me to apply the same logic in a different context. Once I was driving my car in the evening hours, and some car facing me in the opposite lane blinked its lights at me. First I thought: this must have been someone who knew me, i.e., I assumed that the reason for the blinking was something between the driver of the other car and myself, something *relative*. But since it was getting dark I couldn't make out who was sitting in the other car. Only after *other* cars blinked their lights at me, too, did I realize I had forgotten to turn on my own headlights. I.e., their blinking did not signal a relationship between them and me, but it signaled something about *me* alone.

This kind of conclusion is often drawn—even in situations where it is the wrong conclusion. Every member of a social group that is the target of discrimination, be it women, blacks, jews, or Marxists, experiences that everyone they meet, with the regularity of a clockwork, acts towards them in a specific manner defined by the social prejudice against the discriminated group. This makes it difficult for the member of this discriminated group *not* to draw the conclusion that others acts this way because there is something wrong with *him or her* personally, instead of recognizing the secret choreography of a social prejudice.

Marx, of course, does not bring the example with the blinking cars, but he makes essentially the same argument in terms of a dialectical negation of negation. ↓ The present step is the negation of the original “use-values are the material carriers of exchange-value,” in which it had been tacitly understood that each use-value has *one* exchange-value only:

Instead of one exchange-value, the wheat has, therefore, a great many. | Mannigfache Tauschwerte also hat der Weizen statt eines einzigen.

↓ The negation of the negation uses the fact that shoe-polish, silk, etc., are all received in exchange for *wheat*. One does not need to be a friend or relative of the owners of shoe-polish or silk to make these exchanges, all that is necessary is that one owns wheat. Therefore each trader who made one of these exchanges could in principle also have made any of the others. This is the meaning of the word “replaceable” in the next sentence:

But since x shoe polish, as well as y silk, as well as z gold, etc., is the exchange-value of one quarter of wheat, x shoe polish, y silk, z gold, etc., must be exchange-values replaceable by each other or equal in magnitude.

Aber da x Stiefelwichse, ebenso y Seide, ebenso z Gold usw. der Tauschwert von einem Quarter Weizen ist, müssen x Stiefelwichse, y Seide, z Gold usw. durch einander ersetzbare oder einander gleich große Tauschwerte sein.

↑ How did Marx make the step from “replaceable” to “equal in magnitude”? The “replaceability” has the implication that none of these exchanges is inherently more favorable than the others. The trader who exchanged his quarter of wheat against 5 lbs of shoe polish cannot say he got a worse deal than the one who exchanged her quarter of wheat against 1 yard of silk. Had he preferred the silk he could have exchanged his wheat for silk instead of shoe polish. ↓ But if the exchange-values can be compared with each other quantitatively, they must be based on an equal quality. All the exchange-values of the wheat therefore are just different ways to say the same thing about wheat (just as the different cars blinking their headlights said the same thing about my own headlights).

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It follows therefore, firstly: the valid exchange-values of a given commodity express an equal content.

Moore-Aveling and Fowkes both write: express something equal. The word “something” is unfortunate here because it suggests that the equal content is a thing. Marx himself avoids this connotation: instead of writing “die gültigen Tauschwerte derselben Ware drücken etwas

Es folgt daher erstens: Die gültigen Tauschwerte derselben Ware drücken ein Gleiches aus.

“Gleiches aus” he uses the slightly more awkward formulation “... drücken ein Gleiches aus.” Indeed, right now we only know that all the different exchange-values are the expression of some equal underlying *social relation*. Only Marx’s second thought experiment will show that this underlying

social relation can be reduced to a substance (i.e., a “thing”) inside each commodity. It is therefore important that the translation not already anticipate the result of this second thought experiment, because otherwise the reader will not be able to understand the point of the second thought experiment.

↑ Marx writes here “*valid* exchange-values” presumably because only those exchange-values are replaceable with each other which have general validity, not those coming from special circumstances such as the trader having to make a fire sale or being mis-informed about the exchange-value of his or her product.

Question 70 (*Fri Aug 27–Mon Aug 30*) Why does Marx write in 127:1 “the valid exchange-values,” instead of simply “the exchange-values”? [2009fa](#), [2008fa](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#).

So far Marx has argued from the point of view of the individual commodity-owners. These commodity-owners treat the many exchange-values of their commodities as replaceable expressions of the same thing. ↓ In a second step, Marx argues that this expression is the reason why commodities have to go through the exchange:

But secondly, exchange-value itself cannot be anything other than the mere *mode of expression*, “form of appearance,” of some content distinguishable from it.

Zweitens aber: Der Tauschwert kann überhaupt nur die *Ausdrucksweise*, die „Erscheinungsform“ eines von ihm unterscheidbaren Gehalts sein.

Moore-Aveling has: “secondly, exchange-value, generally, is only the mode of expression, the phenomenal form, of something contained in it, yet distinguishable from it.” This is problematic for the reason already pointed out in the preceding translation note. The word “something contained in it”

suggests that exchange-value is reducible to some *substance* contained in the commodities. Although this is true, it will only be derived in the second thought experiment. If this result is already pronounced now, then the purpose of the second thought experiment becomes unintelligible. At the

present time we only know that the source of exchange-value does not lie in the sphere of circulation but elsewhere. Nothing is said yet about it that this source is a substance residing in the commodities.

↑ In other words, exchange-value is a social relation which allows the expression of some deeper content in the sphere of exchange. This means, exchange-value does not originate in the sphere of exchange at all, it is so-to-say remotely controlled: it is the form in which a deeper social relation manifests itself on the surface.

Question 71 (*Fri Aug 27–Mon Aug 30*) What is the difference between mode of expression and form of appearance? [2008fa](#), [2007fa](#), [2005fa](#).

Question 72 (*Fri Aug 27–Mon Aug 30*) First give Marx’s arguments how one can come to the conclusion that exchange-value is not something inherent in the commodity. Then reproduce, in your own words, Marx’s rebuttal that, despite these arguments, exchange-value

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seems to be something inherent to the commodity after all. [2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#), [2005fa](#), [1996sp](#).

Although Marx says here only that the content underlying the exchange-value must be *different* from exchange-value, the understanding is that this content, which drives the exchange-value, does not originate in the sphere of exchange at all but in *production*. Obviously, the commodity exchange is only the second act in a two-act drama, the first act being the production of the commodities. Production is private, and the market is the only arena through which the producers come in contact with each other and the consumers. These basic facts about our society must be kept in mind to understand the development here. Marx wrote in the *Introduction to Grundrisse*, [mecw28]37:2–38:1:

“The subject, society, must always be envisaged ... as the pre-condition of comprehension even when the theoretical method is employed.”

Auch bei der theoretischen Methode daher muß das Subjekt, die Gesellschaft, als Voraussetzung stets der Vorstellung vorschweben.

Question 73 (*Fri Aug 27–Mon Aug 30*) *Is there other surface evidence, other than the variability of exchange proportions, indicating that exchange-value is the expression of some deeper relation of production?* [2008fa](#), [2007fa](#), [2007SP](#), [2004fa](#).

If exchange-value is the form of appearance of some social relation located not in the sphere of circulation itself, this explains the variability of exchange-value with time and place which prompted us to embark on our thought experiment. If exchange-value is only the surface-echo of an underlying social relations having to do with the production of wheat, then we should expect that this echo might also be affected by other circumstances. Marx will say more about this in chapter Three, p. [195:2/o](#).

[Second Thought Experiment]

This was only the first of two thought experiments constituting Marx’s “closer consideration of the matter.” It came to the conclusion that exchange-value is remotely controlled; it is the surface expression of some deeper but invisible social relation. This explains the variability of exchange-value, but it does not yet explain how exchange-value can also be inherent. How can something as relative and symmetric as an exchange relation between two commodities be attached to one of the two commodities, i.e., be considered an exchange-value of the wheat? In order to solve this puzzle, Marx makes a second thought experiment:

[127:2 Let us furthermore take two commodities, e.g., wheat and iron.](#)

[51:2 Nehmen wir ferner zwei Waren, z.B. Weizen und Eisen.](#)

Marx goes back to the exchange relation between *two* commodities. He picks two commodities which were politically relevant at his time; wheat and iron are a reference to the corn laws. [[Cle79](#)]

The proportions in which they are exchangeable, whatever the numbers may be, can always be represented in an equation in which a given quantity of wheat is equated to some quantity of iron, say 1 quarter wheat = x lbs. iron.

Welches immer ihr Austauschverhältnis, es ist stets darstellbar in einer Gleichung, worin ein gegebenes Quantum Weizen irgendeinem Quantum Eisen gleichgesetzt wird, z.B. 1 Quarter Weizen = a Ztr. Eisen.

In his first thought experiment in the previous paragraph [127:1](#), Marx had pointed out that not only one, but many different commodities give a signal to the wheat. Their signal can

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therefore not be a private communication *between* each commodity and the wheat, but the reflection of a social property of wheat itself, i.e., of the social relations which govern the production of wheat. He could have made this argument even if the signal between the commodities had not been a relationship as symmetric as an exchange relation (but, for instance, cars blinking their lights). Now Marx takes the additional fact into his argument that the signal sent by the other commodities is the *symmetric* relationship of exchangeability.

Since exchangeability of wheat for iron also implies exchangeability of iron for wheat, the iron itself possesses that what it attests to the wheat (while, by contrast, the cars blinking their lights at me had most likely not forgotten to turn on their own headlights). In other words, this relationship between wheat and iron is the expression of an *equality*. It is a different equality than that which had been the focus of the first thought experiment. There, in 127:1, Marx referred to the equality of shoe polish, silk, gold, (and also iron) with each other as expressions of the exchange-value of the wheat. Now he refers to the equality between any one of these expressions, say iron, and the wheat itself.

What does this equation say? | Was besagt diese Gleichung?

↑ This is a surprising question, which seems more appropriate to literature critique than economics. Why is Marx interested in what the surface interactions “say”? Answer: he looks at the surface interactions in order to understand the relations of production that are reflected in and mediated by them. By asking what these interactions “say” he is investigating the messages filtering down to the private producers if the commodity traders on the surface routinely exchange their commodities.

Question 74 (Fri Aug 27–Mon Aug 30) Comment about the following critique of Marx: When Marx asks what is the meaning of the exchange relation between two commodities, he commits the error of treating the economy like a literary text. The actions of the economic agents must be causally explained, but any reflection about their “meaning” is an interpretation which does not help us understand what is really going on. 2008fa, 2005fa.

That in two different things—in 1 quarter of wheat and in x lbs. of iron—exists a “common something” in the same quantity.

Daß ein Gemeinsames von derselben Größe in zwei verschiedenen Dingen existiert, in 1 Quarter Weizen und ebenfalls in a Ztr. Eisen.

↑ By exchanging their commodities, the market agents act as if their commodities, despite their different use-values, were equal. ↓ Since the messages which these exchange relations send down to the producers say that all commodities are equal, Marx concludes that, from the point of view of production, these commodities are indeed equal:

The two things are therefore equal to a third, which is in itself neither the one nor the other.

Beide sind also gleich einem Dritten, das an und für sich weder das eine noch das andere ist.

↑ This step from the surface expressions to the underlying relations is based on the assumption that the surface activity on the market is congruent with the structures in the hidden sphere of production. In other words: exchange, in which the commodities are treated as equals, can only then play the important role in the capitalist economy which it does play, if the commodities are not made equal through the exchange but already equal *before* being exchanged.

↓ Marx concluded from his first thought experiment that exchange-value is only a form of appearance of some content different from exchange-value, but he left the nature of this content unspecified. All we know is that it is some underlying social relation, presumably

having to do with the production of the wheat. The second thought experiment allows him to say more about this content: it is some equal *substance* which the commodities contain already before they are exchanged. This greatly simplifies the task of understanding the exchange relations. All we need to know is: what is this substance, and how much of it is in each commodity? Marx formulates this idea as follows (and the use of the word “reduce” is significant here):

Each of the two, so far as it is exchange-value, must therefore be reducible to this third.

Jedes der beiden, soweit es Tauschwert, muß also auf dies Dritte reduzierbar sein.

↑ In the first edition, p. 19:1, and in *Value, Price, and Profit*, p. [mecw20]121:2, this sentence contains the additional clause that each must be reducible to this third *independently of the other* (my emphasis). This makes it clearer what Marx means with the word “reduce” here. It is the reduction of a relation *between* the things to a substance contained *within* each of the partners in the relation.

[Polygon Analogy]

↓ The next paragraph brings a metaphor clarifying this reduction.

127:3 A simple geometrical example may make this clear. In order to determine and compare the areas of polygons, one decomposes them into triangles. Every triangle is then reduced to an expression that is quite different than the triangle’s visible shape, namely, half the product of the base times the altitude $ba/2$.

51:3 Ein einfaches geometrisches Beispiel veranschaulicht dies. Um den Flächeninhalt aller gradlinigen Figuren zu bestimmen und zu vergleichen, löst man sie in Dreiecke auf. Das Dreieck selbst reduziert man auf einen von seiner sichtbaren Figur ganz verschiedenen Ausdruck—das halbe Produkt seiner Grundlinie mit seiner Höhe.

↑ The clearest formulation of this polygon illustration can be found in *Value, Price, and Profit*, p. [mecw20]121:3. Here is my own explanation of the point Marx is trying to make. Polygons (i.e., figures bounded by straight lines) are related with each other in the following way: of two arbitrary polygons the first is either bigger than, smaller than, or equally large as the second. In order to show that polygon A is bigger than or equally large as polygon B, one might proceed as follows: cut polygon A into pieces and place these pieces on top of B in such a way that B is completely covered by them. Although this is a conceptually simple prescription, in practice this cutting can be a tricky geometrical exercise. There is indeed a procedure which can be implemented much more easily in practice. All one has to do is to measure the area of both polygons separately, by decomposing each into triangles and adding the areas of these triangles. These two numbers fully indicate which is bigger and by how much. The existence of such a procedure, which only requires one to look inside each polygon separately in order to know how they relate to each other, is what Marx means by the formulation that, for the purposes of this relation, “each is, independently of the other, reducible to a third.” ↓ After this metaphor, Marx announces what the next step in the derivation must be:

In the same way, it is our task to reduce the exchange-values of the commodities to a common substance of which they represent a greater or smaller amount.

Ebenso sind die Tauschwerte der Waren zu reduzieren auf ein Gemeinsames, wovon sie ein Mehr oder Minder darstellen.

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Question 77 (Fri Aug 27–Mon Aug 30) Marx argues that commodities are exchangeable only because they contain some common substance. Bailey denies this. He compares the exchange-value of commodities with the distance between points, which is not based on a commonality between the two points but is purely relative: “As we cannot speak of the distance of any object without implying some other object between which and the former this relation exists, so we cannot speak of the value of a commodity but in reference to another commodity compared with it. A thing cannot be valuable in itself without reference to another thing any more than a thing can be distant in itself without reference to another thing.” [mecw32]329:3. Comment. 2008fa, 2007fa, 2007SP, 2005fa, 2003fa, 2002fa, 1997ut, 1996ut, 1995WI.

The identification of what this substance is (a substance which Marx calls “value,” see 128:4), will be the subject of the next passage, called here subsection 1.1.c. If such a substance can be found, this would explain why the exchange proportions between wheat and many other commodities are considered the exchange-value of the wheat: because they are reducible, in the sense just explained, to a substance inside the wheat itself. After Marx has found such a substance, his whole study of the value relations will be reduced to the study of this substance. Whenever Marx speaks of the commodity “as values,” he is referring to this common substance inside the commodities.

Therefore a resolution can be offered to the contradiction Marx grappled with in the passage called here subsection 1.1.b, that exchange-value seems on the one hand intrinsic to the commodities, and on the other purely relative and accidental. Exchange-value seems intrinsic because it is the expression of a substance *inside* the commodities, and it seems relative because this expression takes the form of a *relation* between different commodities.

1.1.c. [From Value to Labor]

[Substance of Value has Nothing to do with Physical Matter]

After spending several paragraphs with the subtle and painstaking inference that exchange-value must be the expression of some common substance inside the commodities, the next paragraph seems to shatter this result again. In this paragraph, Marx comes to the conclusion that there can be no such substance inside the physical bodies of the commodities themselves. This conclusion is stated right at the beginning:

127:4–128:1 This common substance cannot be a geometrical, physical, chemical, or any other natural property of the commodities.

51:4–52:2 Dies Gemeinsame kann nicht eine geometrische, physikalische, chemische oder sonstige natürliche Eigenschaft der Waren sein.

[Argument in Value, Price, and Profit] *Value, Price, and Profit*, p. [mecw20]121:5/o, comes to this conclusion by the simple argument that exchange-value is social and therefore has nothing to do with the natural qualities of the things.

Question 78 (Fri Aug 27–Mon Aug 30) What is wrong with Marx’s argument in Value, Price, and Profit, why did he change his argument later?

[Argument in the First edition of Capital] The First edition, p. 19:3, arrives at the same conclusion (and more) from a closer look at the character of the exchange relations.

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This argument starts with the observation that market relations represent an abstraction. This argument is then elaborated in the second and later editions, but we will first look at it in its version in the first edition. Marx's writes here:

That the substance of exchange-value is something quite independent and different from the physical-tangible existence of the commodity, or from the commodity's determinate being as *use-value*, can be seen by a first glance at the exchange-proportion. It is exactly characterized by *abstraction from use-value*. For, if considered according to its exchange-value, one commodity is just as good as any other, as long as it is present in the right proportion.⁸

Daß die Substanz des Tauschwerths ein von der physisch-handgreiflichen Existenz der Waare oder von ihrem Dasein als *Gebrauchswerth* durchaus Verschiedenes und Unabhängiges, zeigt ihr Austauschverhältniß auf den ersten Blick. Es ist charakterisiert eben durch die *Abstraktion vom Gebrauchswerth*. Dem Tauschwerth nach betrachtet ist nämlich eine Waare grade so gut als jede andere, wenn sie nur in richtiger Proportion vorhanden ist.⁸

↑ As I already said, the main argument here is that the market exchange contains an abstraction. This “abstraction” does not mean that commodity traders disregard use-value when they make their exchanges! In chapter Two, 179:1, Marx will discuss the dilemmas for the commodity traders, who must reconcile their individual needs for use-values with the social constraints imposed by the exchange-values. But what matters at the present point in the derivation is that the market as a whole changes different use-values into each other, no use-values have special roles, none have a permanent footprint. The messages which the exchange relations on the market send to the producers, who watch the market in order to make their production decisions, do not single out particular use-values, all are the same. Whatever role the use-values may play in individual exchange decisions, it is not apparent to an observer of the overall exchange relations.

Question 79 (Tue Aug 31–Thu Sep 2) In 127:4–128:1, Marx says that the exchange relation is characterized by an abstraction from use-values. What does this mean? Explain it in such a way that your 12-year old would understand.

Question 80 (Tue Aug 31–Thu Sep 2) Marx says that the exchange-relations are characterized by an abstraction from use-values. But use-values do affect the exchange proportions. If a use-value is in high demand compared to supply, then it commands a higher exchange-value. If a competitor brings out a better product, the firm's own product may not sell any more. Can this be reconciled with the claim of abstraction from use-value? 2008fa, 2007SP, 2005fa.

[Argument in the Second and later editions of Capital] In the later editions, this argument is broken up into three somewhat tedious steps taking up the rest of paragraph 127:4–128:1. (In the MEW edition and the translations, this paragraph is broken up because the Barbon quote was turned into a display quote. But Marx had originally written it as one solid paragraph.) If you are willing to accept the conclusion you may skip over the rest of this paragraph and continue with 128:2. For those with enough patience, here is the version of this argument as it is made in the most recent editions of *Capital*. The first step is the following:

The bodily properties of commodities enter the picture only in so far as they make the commodities useful, i.e., turn them into use-values.

Ihre körperlichen Eigenschaften kommen überhaupt nur in Betracht, soweit sie nutzbar machen, also zu Gebrauchswerten.

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The Moore-Aveling translation says: "Such properties claim our attention only in so far as they affect the utility of those commodities, make them use-values." It is wrong to speak

here about "our" attention. Marx is not explaining why he as a researcher looks at the bodily properties of the commodities, but he investigates how the economic agents themselves relate to their

commodities. One might say that the translation turned an ontological question into an epistemological one.

↑ The bodily properties of a commodity are also relevant for *production*. But this does not concern the commodity traders in the sphere of circulation. For them, the bodily properties are only interesting to the extent that they affect the use-values of the finished products. ↓ But these use-values cannot contribute to the common substance which the commodities have as exchange-values, because it is exactly the purpose of exchange to replace one use-value by another. Marx calls this an abstraction:

On the other hand, however, it is exactly the abstraction from the use-values of the commodities which evidently characterizes their exchange relation.

Andrerseits aber ist es grade die Abstraktion von ihren Gebrauchswerten, was das Austauschverhältnis der Waren augenscheinlich charakterisiert.

In the French edition [mecw], the above sentence has two parts. The first half of the sentence speaks about the actions of the commodity traders:

But on the other hand it is evident that one abstracts from the use-value of the commodities when one exchanges them ...

Mais d'un autre côté il est évident que l'on fait abstraction de la valeur d'usage des marchandises quand on les échange

Again, this cannot mean that the trading partners disregard the use-values, but that the act of exchange itself is an act of abstracting of the use-values, since it replaces one use-value by another. In the second half, Marx makes the transition from the individual acts of exchange to the exchange relations "themselves:"

... and that every exchange relation is itself characterized by this abstraction.

et que tout rapport d'échange est même caractérisé par cette abstraction.

When he writes that the exchange relations are "characterized by," Marx presumably refers to the information available to the producers from analyzing the multitude of exchange acts happening on the market. ↓ All one can see from looking at the exchange relations from afar is that the market allows any two use-values to be exchanged against each other. This is "evident" because of the following simple and well-known fact about the exchange relations:

In this exchange relation, one use-value is just as good as another, as long as it is present in the proper quantity.

Innerhalb desselben gilt ein Gebrauchswert grade so viel wie jeder andre, wenn er nur in gehöriger Proportion vorhanden ist.

↑ This short proof of Marx's subsidiary claim that the exchange-relations are characterized by an abstraction from use-values concludes the proof that use-value cannot enter the "common substance," and in the First edition, this paragraph ends here. ↓ In the Second edition, the paragraph is made longer. First Marx adds some quotes documenting that this abstraction from use-values has been observed in the literature:

Or, as old *Barbon* says, "One sort of wares are as good as another, if the values be equal. There is no difference or distinction in things of equal value."⁸

Oder, wie der alte *Barbon* sagt: „Die eine Warentype ist so gut wie die andre, wenn ihr Tauschwert gleich groß ist. Da existiert keine Verschiedenheit oder Unterscheidbarkeit zwischen Dingen von gleich großem Tauschwert.“⁸

[Alternative Argument in the Second and later editions] ↓ Marx concludes the paragraph with an alternative short but very abstract proof that the common substance cannot have anything to do with use-value. The connection to the previous argument lies in the fact that commodities are exchanged because their use-values are qualitatively different. So far as they are exchange values, however, commodities can only have quantitative differences. These exchange-values can therefore not derive from their qualitatively different use-values.

As use-values, commodities are, above all, of different qualities; as exchange-values they can only be of different quantities, and consequently do not contain an atom of use-value.

Als Gebrauchswerte sind die Waren vor allem verschiedner Qualität, als Tauschwerte können sie nur verschiedner Quantität sein, enthalten also kein Atom Gebrauchswert.

↑ This is an application of the general principle that two things which are quantitatively different must be qualitatively equal—since one cannot compare apples and oranges. It should be noted here that despite Marx’s arguments here that value cannot come from use-value, neoclassical economics does derive value from use-value.

[Commodities Have Labor in Common]

This is again an impasse: the commodities must contain something equal, but this equal thing cannot have anything to do with their use-values. ↓ Marx resolves this with the bold assertion that there is only one other thing which the commodities have in common:

128:2 If we then disregard the use-value of commodities, they have only one property left, that of being products of labor.

52:3 Sieht man nun vom Gebrauchswert der Warenkörper ab, so bleibt ihnen nur noch eine Eigenschaft, die von Arbeitsprodukten.

↑ This is formulated as if one could reach this conclusion through a purely deductive thought process, i.e., as if abstraction from use-value would lead one immediately to labor as the only property left. In *Contribution* and in the first edition of *Capital*, however, Marx does not make the sweeping claim that labor is the *only* property left. In *Contribution*, 270:3/o, Marx says that the use-values traded as commodities have a dual character: on the one hand, they are means to support human life, and on the other, they are also the products of human life. While the first aspect does not give commonality to the commodities, the second aspect does. In the first edition, 19:5, Marx first says that the common substance must be something *social* since it is not natural, and then he introduces labor—with a dash, and without the claim that this is the only possibility.

While the second and later editions of *Capital* formulate the transition to labor as if it was a logical necessity, they make even fewer efforts than the first edition or *Contribution* to give a *proof*. Obviously, the second and later editions do not bring all the possible arguments in favor of this conclusion. The transition to labor must therefore be considered an additional judgment about commodity producing societies, which is *related* to the earlier judgments, but cannot be *derived* from them. Although it is possible to read off the surface relations that exchange-value must be a form of appearance of something (which Marx calls value) located in a different sphere, these surface relations by themselves do not allow us to deduce where value is located and how it originates. The distinction between what the commodities themselves tell us and that what has to be found out by going beyond the sphere of circulation is also made in the manuscript 4:2, and in 166:2/o, Marx says: “Value … does not have it written on its forehead *what* it is.”

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Question 83 (Tue Aug 31–Thu Sep 2) “Exchange-value cannot be anything other than the mode of expression, the ‘form of appearance’, of some substance distinguishable from it” (p. 127:1).

- a) How did Marx come to this conclusion by observing the exchange relations between commodities?
- b) What is this substance distinguishable from the exchange-value?
- c) Does mainstream economics distinguish between exchange-value and the substance expressed by exchange-value?
- d) Why is this substance equal for all commodities?
- e) How does Marx argue that this substance does not come from their use-values?
- f) How does Marx come to the conclusion that this substance comes from labor? 2008fa, 2008SP.

Since it was generally accepted in classical theory (the economic mainstream when Marx wrote) that there was a link between value and labor, Marx apparently did not find it necessary to bring more arguments that such a link exists. In *Contribution*, 275:1/o, Marx writes: Everybody understands more or less clearly that the relations of commodities as exchange-values are rather the relations of the persons to the productive activities of one another.

Es schwebt allen mehr oder minder vor, daß das Verhältnis der Waren als Tauschwerde vielmehr Verhältnis der Personen zu ihrer wechselseitigen produktiven Tätigkeit ist.

This does not mean that the labor theory of value itself was part of common consciousness. But as long as the labor theory of value was the consensus view among economic theorists, the pre-scientific reflection that labor must matter for the exchange-values of the goods had become common sense. Marx would probably have made a more forceful defense of the link between labor and value had he foreseen that eventually, such a link would become deeply discredited in mainstream economics.

Question 85 (Tue Aug 31–Thu Sep 2) Why did Ricardo’s discovery of the determination of value by labor attract the following critique: “Mr. Ricardo’s system is one of discords . . . its whole tends to the production of hostility among classes and nations . . . His book is the true manual of the demagogue, who seeks power by means of agrarianism, war and plunder.” [Car48] 2008fa, 2008SP, 2007SP, 2004fa, 1996ut.

[Metaphor of the Corrosive Glare]

↓ Instead of spending many words on defending the labor theory of value, Marx builds on it. He emphasizes one aspect of it which the classical economists had ignored, namely, the *quality* of the labor which is reflected in value. The argument which follows next is Marx’s own; it cannot be found in the earlier versions of the labor theory of value in classical political economy.

However, the product of labor has already undergone a change in our hands. | Jedoch ist uns auch das Arbeitsprodukt bereits in der Hand verwandelt.

French edition, p. 22:1: “Mais déjà le produit de travail lui-même est métamorphosé à notre insu.”

Fowkes: “Even the product of labor has already been transformed in our hands.” Moore-Aveling has

an “itself” which is not in the German, but in the French.

↑ The phrase “in our hands” makes it clear that Marx is not yet talking about the quality of labor in the production process, but still about the products of labor traded on the market.

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Of course, these products themselves are not changed because the surface activity makes abstraction of their use-values. The change Marx is talking about here is one between the products of labor as seen by the surface agents, and the signals which the handling of these products on the surface sends to the private producers. But instead of saying: if abstraction is made from this and this on the market, then only that and that remains visible to the producers who take their cues from the market, Marx uses the metaphor of us, the readers, picking up the product with our hands and looking at it with a look that abstracts from its use-value, and the product itself changing because we look at it (as if our abstract glare had set it on fire).

↓ The next several sentences stay with this metaphor that “we,” the readers of *Capital*, change the products of labor by abstracting from their use-values. Marx proceeds slowly and thoroughly, first going from the use-value of the product of labor to its bodily forms:

If we abstract from the use-value of the product of labor, then we abstract at the same time from the bodily constituents and forms that make it a use-value.

Abstrahieren wir von seinem Gebrauchswert, so abstrahieren wir auch von den körperlichen Bestandteilen und Formen, die es zum Gebrauchswert machen.

↑ Here is the interpretation of this passage assuming that Marx uses the metaphor of the corrosive glare in order to describe the signals sent from the market to the producers observing the market. If the handling of the products of labor by the commodity traders makes abstraction of their use-values (this is a relationship between the commodity and its owner handling it on the surface) then this means for the products of labor themselves that their bodily shapes and components have become irrelevant (this is the implication of this relationship for the commodity itself). The switch from the use-value to the bodily character of the thing seems pedantic—after all, in 126:1 Marx had obtained permission to ignore this distinction—but here it is necessary because it is a switch from the perspective of the consumers, who look at the commodities as use-values, to the perspective of the producers, for whom the commodities are things which need to receive certain useful bodily properties in the production process.

It is no longer a table, a house, yarn, or any other useful thing. All its sensual properties are extinguished.

Es ist nicht länger Tisch oder Haus oder Garn oder sonst ein nützlich Ding. Alle seine sinnlichen Beschaffenheiten sind ausgelöscht.

↑ The “it” in this last sentence is the product of labor. Of course, it is still relevant that the thing does have some useful properties, but due to the magic of the markets, which can turn every use-value into every other use-value, it no longer matters which useful properties a given product of labor has. (One might object here that some use-values are more in demand than others, but at the present stage of his derivation Marx does not yet talk about the mechanisms which bring supply and demand in line, but assumes instead that every use-value is needed.) ↓ Next, Marx discusses the implications for production: the abstraction from the bodily shapes and components of the product of labor makes the kind of labor irrelevant whose product it is:

It is therefore no longer the product of carpentry, masonry, spinning, or any other specific kind of productive labor.

Es ist auch nicht länger das Produkt der Tischlerarbeit oder der Bauarbeit oder der Spinnarbeit oder sonst einer bestimmten produktiven Arbeit.

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To avoid confusion, the translation used the words “carpentry,” “masonry,” and “spinning,” and

stayed away from any composites which have “labor” in them. The choice of labors parallels the

sentence before last: “It is no longer a table, a house, yarn.”

↓ Although the question on the table is still: “how did the *products* of labor change in our hands?” the next long sentence no longer discusses the *products* of labor but the labor whose products are traded on the market. Along with the changes in the products of labor, the labor itself changes as well. This is an extension of Marx’s original metaphor: our abstract glare not only sets the products on fire but also retroactively modifies the labor which produced the products. This extension of the metaphor signifies an extension of Marx’s field of vision: he no longer limits himself to looking at the signals which the market sends to the producers, but he also looks at the producers’ reactions to these signals. If they see that all commodities on the market are treated as equals, regardless of the bodily shapes and components of these things, the producers’ reaction must be that they themselves disregard the differences between the labors producing these different useful things.

Along with the useful characteristics of the products of labor, the useful characteristics of the various kinds of labor represented in them disappear.

Mit dem nützlichen Charakter der Arbeitsprodukte verschwindet der nützliche Charakter der in ihnen dargestellten Arbeiten, ...

↑ This only tells us what is erased by this abstraction, i.e., it tells us which aspects of labor do *not* contribute to the value of the product and therefore are considered irrelevant by the producers. ↓ But what remains? The assumption is here that something *must* remain. Exchange relations on the surface are real, they have causal powers. This causal power cannot come from nothing, there must be something real at the bottom of it. The reduction of the exchange relations on the surface to one common substance is not merely a way of thinking about these relations, but this common substance itself is real. It is real, but it is not a physical aspect of the bodies of the commodities. Instead, it is a physical aspect of the production process of the commodities—an aspect so tangible that everybody has first-hand experience of it whenever they work.

↓ To prepare the answer to the question what this tangible (and sometimes smelly) aspect of production is, Marx observes that the useful character of labor is not only what makes it productive of useful things, but it is also that aspect of labor which differentiates one kind of labor from another.

Therefore, also the different concrete forms of these labors disappear.

... es verschwinden also auch die verschiedenen konkreten Formen dieser Arbeiten,

↓ And since our abstraction erases that which makes the different labors different, what remains must be what all labor have in common:

They no longer differ from each other, but are altogether reduced to equal human labor, human labor in the abstract.

... sie unterscheiden sich nicht länger, sondern sind allzusamt reduziert auf gleiche menschliche Arbeit, abstrakt menschliche Arbeit.

↑ That what all human labors have in common is called here “human labor in the abstract,” which means, labor “indifferent towards the particular form of labor” (*Contribution*, 271:1). Marx also uses the formulation “equal human labor,” which contains the hint that this substance of value is something social (since equality is a relation between *different* labors). But the implications of this will not be unpacked until 129:2; for now the argument proceeds as if the value of a commodity came from the actual labor which produces that particular commodity.

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Let us take stock again where we are. If the exchange relations on the surface abstract from the useful qualities of the products of labor, this has an impact on the private producers, who observe the market relations for their production decisions. It does not lead them to abstract from labor altogether, but it leads them to abstract from the characteristics which differentiate the different labors from each other. In other words, they are led to treat all labors as equal, as one homogeneous mass.

But it is possible for them to do this consistently and successfully only if the labors are indeed a homogeneous mass. The background assumption is here again that the system as a whole fits together, that the surface relations would have been modified or discarded if they did not fit together with the underlying production relations. The question arises therefore: what do all the different activities which we call “labor” have in common? Language already anticipates that they have *something* in common since we are using the same word “labor” for them. (Marx remarks on this in the Introduction to *Grundrisse*, [mecw28]40:2/o.) At the present point, Marx does not answer this question other than by giving a name to that which is common to all labors (he calls it equal human labor or abstract human labor). But at this point we can only guess what this name refers to.

Question 86 (Tue Aug 31–Thu Sep 2) Take two very different kinds of labor, such as teaching and construction work, and discuss in what respect they are equal.

This is the end of the corrosive glare metaphor, and also the end of the paragraph. This end is a little abrupt, since the reader is left wondering what it is that all human labors have in common. Marx will devote the entire section 2 of chapter One to this, but for now he returns from the short digression about what happens to the labor itself to his earlier, still unanswered question, namely, what happens to the *product* of labor if one abstracts from its use-value. Interspersed in this further development, however, is a brief remark which is relevant for the present digression about labor: In the middle of this next step in the derivation, at 128:3, Marx says that all labors are expenditures of human *labor-power*. This is, in a nutshell, what the labors themselves have in common. The presentation of the French edition of *Capital* is improved. In French, the term “labor-power” is introduced already at the end of this paragraph here, p. 22:1, where it belongs, with the words:

Only the common character of these labors remains: they are reduced to equal human labor, to an expenditure of human labor-power without consideration of the particular form in which it was spent.

Il ne reste donc plus que le caractère commun de ces travaux; ils sont tous ramenés au même travail humain, à une dépense de force humaine de travail sans égard à la forme particulière sous laquelle cette force a été dépensée.

In the French edition, therefore, the brief digression about the character of commodity-producing labor has a more satisfactory conclusion—while in the German and English editions this digression ends before the last step is made, this last step being supplied a little later as a side remark in the further development.

Question 87 (Tue Aug 31–Thu Sep 2) Marx says that as use-values commodities do not contain an atom of value. Would he also say that the labor process does not contain an atom of abstract labor? 2008fa, 2007fa, 2007SP, 2004fa, 1997ut.

If Marx therefore inferred earlier that the ubiquitous exchanges on the surface must be guiding a production structure which keeps track of something equal in the commodities, and that this common substance cannot have anything to do with their use-values, he argues

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now that this substance must have to do with labor, but it cannot be *useful* labor but must be labor as expenditure of human labor-power.

Question 88 (*Tue Aug 31–Thu Sep 2*) In 128:2, Marx says that the products of labor change if one disregards their use-value, and that this change in the products also causes the labor itself to change. Does this argument, in which the causal order of things seems exactly reversed, have any validity? 2009fa, 2008fa, 2007SP.

[The Value Quasi-Material]

The explanation of the quality of abstract labor as the expenditure of human labor-power is the deepest insight about value so far, but it is not the end of the current train in Marx's argument. ↓ The next paragraph returns to the original question and tells us how the *product of labor* has changed. (Later, in 142:2, Marx emphasizes the necessity of this additional step from abstract labor to congealed abstract labor.) The products of labor, when bathed in the market's corrosive abstractness, emerge as something quite different than their bodily shapes:

128:3 Let us consider now what remains of the products of labor. Nothing has remained of them except the same ghostlike material, ...

52:4 Betrachten wir nun das Residuum der Arbeitsprodukte. Es ist nichts von ihnen übriggeblieben als dieselbe gespenstige Gegenständlichkeit, ...

This is finally the answer to the question how the products of labor have been mutated in our hands. As exchange-values, the products of labor only count as the ghosts of the labor-power which was consumed during their production. Section 3, 138:2/o, picks up from here and shows that these ghosts will not rest until they find reincarnation in money, the second form which the commodity needs besides its natural form. And just as a ghost consists of matter which is not of this world—it can be seen but it interpenetrates with earthly matter—so do commodities, as values, consist of a non-physical yet material-like substance which Marx, literally, calls “value materiality” (*Wertgegenständlichkeit*). The definition of “materiality” (*Gegenständlichkeit*) as opposed to “material” (*Gegenstand*) is here: something which is like a material object without being a material object—just as the appellation “your royal highness” (*Königliche Hoheit*) denotes someone who is elevated without sitting on a mountain. Marx's term “(*Wertgegenständlichkeit*)” will therefore be translated with the clumsy but (as I understand it) precise expression “value quasi-material.”

In the first edition of *Capital*, 30:1, Marx says

In order to grasp linen as the material expression of mere human labor, one must disregard everything that actually makes it an object. The materiality of human—labor that is abstract, lacking further quality and content—is, of necessity, an abstract materiality, a *thing made of thought*. Thus, cloth woven from flax becomes a phantom spun by the brain.

Um Leinwand als bloß dinglichen Ausdruck menschlicher Arbeit festzuhalten, muß man von allem absehen, was sie wirklich zum Ding macht. Gegenständlichkeit der menschlichen Arbeit, die selbst abstrakt ist, ohne weitere Qualität und Inhalt, ist notwendig abstrakte Gegenständlichkeit, ein *Gedankending*. So wird das Flachsgewebe zum Hirngespinst.

↑ This abstract materiality of labor is what we call here the value quasi-material.

Question 89 (*Tue Aug 31–Thu Sep 2*) Is Marx's concept of “value quasi-material” attached to commodities, but separate from their physical material, a metaphor? Is it a phantasy, an

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invention, which Marx needs to hold his labor theory of value together? Is Marx going overboard here? Or does the value quasi-material really exist? [2008fa](#), [2008SP](#), [2007fa](#).

According to the editors of MEGA in [Mar87a, p. 23*], this colorful formulation raised doubts whether Marx's analysis was indeed materialist; therefore the later editions of *Capital* express the same idea in more muted terms:

Question 90 (*Tue Aug 31–Thu Sep 2*) Does Marx's “value quasi-material” (*Wertgegenständlichkeit*) have properties similar to physical matter? [2008fa](#), [2007SP](#), [1997ut](#), [1996ut](#).

... a mere congelation of undifferentiated human labor, i.e., of the expenditure of labor-power without regard to the form of its expenditure.

... eine bloße Gallerte unterschiedsloser menschlicher Arbeit, d.h. der Verausgabung menschlicher Arbeitskraft ohne Rücksicht auf die Form ihrer Verausgabung.

The metaphor “congelation” is significant. A congelation is an immobilized, frozen liquid. This metaphor indicates that the abstract labor spent in producing the commodity is still present as labor. In this respect, the abstract labor differs from the useful labor producing the commodity, which no longer exists as labor, but is objectified in the use-value of the commodity. Here are more details about this:

- The commodity as use-value is produced in a process in which the useful labor is used up. After the production process is finished, the useful labor no longer exists as labor but is sublated (*aufgehoben*) in its result (Marx uses the terminology that it is now *objectified* labor). In chapter Seven, p. 289:2, Marx gives an example where this process of sublation is incomplete: an inept laborer will remind the user of himself every time the product is used, by the flaws in the product. But the skillful laborer disappears behind the product.
- As value, however, the labor itself lingers on, it is accumulated in the commodity. It is what makes the commodity exchangeable. Marx calls it sometimes “crystallized,” sometimes “congealed.” This terminology indicates that the labor is no longer liquid, but it has also not disappeared into its product, it still exists as *labor*. The laborer who produced this product still remembers his labor and keeps track of it, because he needs the product as proof that he or she has performed this labor and is therefore entitled to the products of the labors of others. One can get this labor back out of the commodity and convert it into the congelation of a different kind of labor, by exchanging the commodity for some other commodity.

The fact that the abstract labor lives on in the commodity *as labor* is spelled out most clearly in Marx's draft manuscript for the second edition of *Capital*, published in [Mar87a, p. 32:4]:

What remains is a merely phantastic objectivity—objectivity of abstract human labor, *objective form* of abstract human labor, i.e., human labor, in a congealed state rather than a liquid state, in a state of rest rather than a state of motion.

Was übrigbleibt ist eine rein phantastische Gegenständlichkeit—Gegenständlichkeit abstrakt menschlicher Arbeit, *gegenständliche Form* abstrakt menschlicher Arbeit, also menschliche Arbeit, statt in flüssigem Zustand, in geronnenem Zustand, statt in der Form der Bewegung, in der Form der Ruhe.

But let us return to the text of the fourth edition:

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These things represent nothing but that in their production human labor-power has been expended, human labor has been accumulated.

Marx does not write here: “the commodity embodies the labor” but “the commodity represents the labor.” Compare 296:3/o. In other words, the commodity still vividly remembers that the expenditure of human labor was necessary to produce it, and it walks around telling everybody, “I am the product of social abstract labor.” However the commodities say it in the only language they are capable of, by their exchange relations (compare 143:3/o).

As crystals of this social substance which they have all in common they are values—commodity values.

Diese Dinge stellen nur noch dar, daß in ihrer Produktion menschliche Arbeitskraft verausgabt, menschliche Arbeit aufgehäuft ist.

Als Kristalle dieser ihnen gemeinsamen gesellschaftlichen Substanz sind sie Werte—Warenwerte.

Question 92 (*Tue Aug 31–Thu Sep 2*) *In every society, production implies the expenditure of human labor-power. Value is the crystallization of abstract human labor, and abstract human labor is the expenditure of human labor power. Does this mean value is a category which applies to every society?*

Two explanations are necessary here.

(1) In the above sentence, abstract labor is called a “social” substance, although from the development so far it would rather seem that it is a physiological substance. The social character of abstract human labor will be thematized in the next step of Marx’s discussion, in 129:2.

(2) Marx does not say that commodities *have* value, but that they *are* values “as crystals of abstract human labor.” On many future occasions, for instance in 134:2, Marx says that “as values,” the commodities are crystals of abstract labor, or that in a commodity producing society, individuals treat their products “as values.” Here is an attempt to explain this terminology. Value is a social relation. The typical social relation dictates that specific individuals must have certain kinds of interactions. The social relation “value” has a different implication for individual activity: everybody in society is compelled to act as if commodities, besides their physical body, also had some invisible material-like substance inside them, which is equal for all commodities (evidenced, for instance, by the price of the commodity). Value is therefore an object-like social relation, i.e., it has two contradictory aspects: on the one hand it is a social relation, on the other it is an object. If Marx speaks of it under the aspect of it being an object, he calls it “value quasi-material.”

Marx is not satisfied with saying: “two commodities are exchangeable because both labors producing them are the expenditures of human labor-power.” Instead he says: commodities are exchangeable because they are the congelations of abstract human labor. I.e., he derives that what the commodities do from what the commodities are. This is an important additional step. Value is real. A price tag can be as effective as a brick wall in preventing access. People can, so to say, bump their heads against price tags. They can starve because of them. A price tag must therefore be the expression of *something*, a nothing cannot be so powerful. This something is abstract human labor, a real aspect of every labor process.

Exam Question 93 *What is value (according to Marx)? 2008fa, 2007fa, 2007SP, 2005fa, 2004fa, 2001fa, 1999SP, 1997ut, 1996ut, 1996sp, 1995ut, 1995WI.*

Since the concept of value was introduced in the above paragraph, it should be noted that Marx uses the word “value” in a very specific meaning. It does not refer to a “worth” or

“relevance” of something to an individual, that can be defined in any society. It is that social property which makes things exchangeable in a commodity society. If in other societies certain things are generally highly “valued” (in the usual broad understanding of the concept), but they are not available for sale, Marx would not assign value to them. “Value,” as Marx is using this word, is not derived from worth, but from abstract social labor, and also does not express worth. Perhaps it is better to disregard the fact that Marx uses the word “value” for it, he might as well have used the acronym “CAL,” for “congealed abstract labor.” In other words, prices, for Marx, do not express intrinsic worth. On the contrary, the measurement of everything by abstract labor distorts society’s priorities. For a beginner, this central point of Marx’s theory is easy to misunderstand.

Question 94 (*Tue Aug 31–Thu Sep 2*) *Use-value is the quality of the commodity, and exchange-value is its quantity. Right or wrong?* [2009fa](#), [2008fa](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [1999SP](#), [1997ut](#), [1996ut](#), [1995WI](#).

1.1.d. [The Quantity of Value and Individual Differences]

Section 1.1.d (which is our name for the last part of section 1.1) and section 1.2 investigate value independently of its form. The difference between section 1.1.d and section 1.2 is that section 1.1.d discusses commodities of *one* kind, the *quantity* of value, and *individual* differences in competences and dexterity of the workers producing the *same kind* of product, while section 1.2 discusses commodities which are the products of *different kinds* of labor, the *quality* of value, and the reduction of skilled labor to simple labor.

We are at a turning point in our investigation. Until now we have dug deeper and deeper into the hidden structures underlying the exchange of commodities, in order to lay bare the value of a commodity and the substance of which value consists, namely, abstract human labor. From now on, the investigation is focused on value itself, not merely as that which explains the exchange-value, but in its own right.

This new beginning is marked by a short summary. This summary is not present in the first edition or the French edition, but the second edition, p. 72:3, contains it in exactly the same wording as the fourth edition. An earlier version of this paragraph is preserved in Marx’s preparatory notes for the second edition, p. 4:2. It will be useful to look at the beginning sentences of this draft first:

One has seen: The exchange relation itself of the commodities, or the form of their *exchange-value*, characterizes this exchange value as *abstraction from use-value*. This abstraction, if actually carried out, yields the *value*, as it was just determined.

Man hat gesehn: Das Austauschverhältniß der Waaren oder die Form ihres *Tauschwerths* selbst charakterisirt ihn als *Abstraktion vom Gebrauchswert*. Die letztre, wenn wirklich vollzogen, ergiebt den *Werth*, wie er so eben bestimmt ward.

Warning, I went out on a limb with [this translation here!](#)

↑ Marx distinguishes here between those things which one can read off directly from the surface, and those which require digging. The exchange-relations themselves, through the form in which they appear on the surface, tell us that exchange-value is an abstraction. No digging required for that. But they cannot reveal the basis for this abstraction. To say it again: By looking at the exchange-relations we could see that all commodities are treated

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as equals, but the basis for this equality was not apparent from these exchange-relations. Additional research was necessary, which probed into deeper layers beneath the exchange relations on the surface, to find this basis. Marx refers to this second step of the derivation with the words “if this abstraction is actually carried out.” In this second step, the abstraction is no longer the negative act of disregarding certain aspects, but the positive act of identifying that which remains after these aspects have been disregarded, as Marx says in section 2, p. 134:3/o.

After this, we are in a better position to decipher this summary in its final version in the second and later editions. ↓ It is formulated in a contracted way, but Marx obviously still had the same reasoning in mind:

128:4 In the exchange relation of the commodities themselves, their exchange-value appeared to us as something quite independent from their use-values.

↑ The commodities themselves, through their exchange-relations on the surface, are telling us that their exchange-value is an abstraction. “Appeared to us” is in the past tense because Marx refers here to his discussion in 127:4–128:1. ↓ But the commodities are not telling us what the basis of this abstraction is. To find this basis, we had to actively investigate the situation—not simply read off what was already apparent, but find the hidden influences beneath the surface phenomena:

Now if one really abstracts from the use-values of the products of labor, one obtains their value, as it was just determined.

53:1 Im Austauschverhältnis der Waren selbst erschien uns ihr Tauschwert als etwas von ihren Gebrauchswerten durchaus unabhängiges.

Abstrahiert man nun wirklich vom Gebrauchswert der Arbeitsprodukte, so erhält man ihren Wert, wie er soeben bestimmt ward.

↑ This is a reference to and shorthand summary of the development in the two immediately preceding paragraphs, from the abstraction from use-values implied in the exchange relation in 128:2 to the homogeneous character of the “abstract human labor” represented in the value of the commodities in 128:3. Marx writes here “value, *as it was just determined*” (my emphasis) because “value” is no longer a placeholder word for that which underlies exchange-value, as the word was used in the first edition in 19:4, but we know now what value is, it is congealed abstract labor.

The common substance which is represented in the exchange relation or exchange-value of the commodities is therefore their value.

Das Gemeinsame, was sich im Austauschverhältnis oder Tauschwert der Ware darstellt, ist also ihr Wert.

↑ We have thus answered the question posed at the end of 127:3: what is the substance inside the commodities of which exchange-value is the form of appearance?

As our investigation proceeds, it will take us back to the exchange-value as the necessary mode of expression or form of appearance of value. For the present, however, we have to consider value independently of this form.

Der Fortgang der Untersuchung wird uns zurückführen zum Tauschwert als der notwendigen Ausdrucksweise oder Erscheinungsform des Werts, welcher zunächst jedoch unabhängig von dieser Form zu betrachten ist.

↑ The discussion of the forms of appearance of value can be found in section 1.3. But right now Marx is going to discuss quantity and quality of value, not its form. The remainder of section 1.1 focuses on the *quantity* of value (and the changes in its quantity), while section 1.2 takes another detailed look at its quality.

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129:1 We saw that a useful article has commodity value only because abstract human *labor* is *objectified* or *materialized* in it.

Fowkes translates it as “A use-value, or useful article, therefore has value only because...” Some readers may think here that “having value” in this sentence means to be ethically

53:2 Ein Gebrauchswert oder Gut hat also nur einen Wert, weil abstrakt menschliche Arbeit in ihm *vergegenständlicht* oder *materialisiert* ist.

valuable, and others may think that “value” is a short form for “use-value.” In the German, such confusion is warded off by the colloquial use of the indefinite article “*einen Wert*.” In the

translation, I tried to preclude this same confusion by suppressing the formulation “use-value” altogether and writing “commodity value” instead of “value.”

↑ Marx is no longer speaking about exchange-value here, but about value. Value manifests itself in exchange-value, i.e., it has real effects. Therefore it must itself be real. The above formulation reminds us that value is created in a real process, the production process, by the expenditure of human labor-power. After the end of the production process, when the labor-power has been spent, this expenditure of labor-power still exists—as value. The labor is not only (qua concrete labor) objectified in the product (meaning that it no longer exists as labor), but also, qua abstract labor, accumulated in the product and still present as labor (value is *congealed* labor). This congealed abstract labor is the common substance *inside* the commodities which manifests itself in the exchange relations, and to which these exchange relations *between* the commodities can be *reduced*. In the First edition, 38:1, Marx describes this reduction as follows:

Their *social* relation consists exclusively in counting for each other as only quantitatively different, but qualitatively equal (and therefore replaceable by one another and exchangeable with another) expressions of this social substance which they share.

Ihr *gesellschaftliches* Verhältniß besteht ausschließlich darin einander als nur quantitativ verschiedene, aber qualitativ gleiche und daher durch einander ersetzbare und mit einander vertauschbare Ausdrücke dieser ihrer gesellschaftlichen Substanz zu gelten.

Since values only differ quantitatively, Marx looks now how the magnitude of value is determined:

How, then, to measure the *magnitude* of this value?

Wie nun die *Größe* seines Werts messen?

The answer to this question will not be given in one shot but will be developed step by step. The first step seems obvious:

By the *amount* of the value-constituting substance, i.e. labor, contained in the article.

Durch das *Quantum* der in ihm enthaltenen „*werbildungenden Substanz*“, der Arbeit.

↑ A useful article can exchange itself for other articles on the market because its production required part of society’s pool of abstract labor, just like the production of the other goods on the market. The question of the magnitude of value, i.e., the question of how much of this pool of abstract labor is represented by a given commodity, is decided by how much living labor was used in the production of this commodity.

Marx means here not only the *direct* labor content (labor input in the last production process making this specific commodity), but the *total* labor that went into the product and into the materials of which the product consists, and also a pro-rated portion of the labor needed to produce the machinery and buildings. This may complicate things in practice, but the principle seems simple enough: ↓ one just has to go into the factory with a stop watch.

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The quantity of labor, again, is measured by its *duration*, the *labor-time*, which finds its standard of measurement in *well-defined pieces of time* like hour, day, etc.

In the previous sentence, Marx had said: the magnitude of value is measured by the *Quantum* of the labor contained in it. Now he says: the *Quantität* of labor itself is

Die Quantität der Arbeit selbst mißt sich an ihrer *Zeitdauer*, und die *Arbeitszeit* besitzt wieder ihren Maßstab an *bestimmten Zeitteilen*, wie Stunde, Tag usw.

measured by its duration. Both *Quantum* and *Quantität* are usually translated as quantity. The difference is subtle: a *Quantum* of something is that thing, considered

from its quantitative aspect (one might translate it as “amount”), while the quantity of the thing is this quantitative aspect itself.

Question 96 (Fri Sep 3–Tue Sep 7, 6 pm) Why is labor measured here by labor-time, and not by counting how many movements were made, or by the drops of sweat of the laborer, or by the discomfort of the laborer? 2009fa, 2008fa, 2007fa, 2007SP, 2005fa, 2004fa, 2003fa, 2002fa, 1997ut, 1997sp.

↑ This seems an obvious and straightforward prescription. ↓ Nevertheless it leads to absurd results:

129:2 It might seem that if the value of a commodity is determined by the amount of labor spent in its production, the more lazy and inept the laborer, the more valuable his commodity would be, because more time would be required in its production.

53:3 Es könnte scheinen, daß, wenn der Wert einer Ware durch das während ihrer Produktion verausgabte Arbeitsquantum bestimmt ist, je fauler oder ungeschickter ein Mann, desto wertvoller seine Ware, weil er desto mehr Zeit zu ihrer Verfertigung braucht.

“It might seem that” is a better translation than: “some people might think that.” Also *Value*,

Price, and Profit has: it might seem that. It is not a subjective matter, not a matter of the

individual stupidity of the observer, but this semblance is baked into the reality itself.

Question 97 (Fri Sep 3–Tue Sep 7, 6 pm) Is it a character flaw to be lazy in an exploitative system? 2009fa, 2008fa, 2008SP, 2007fa, 2007SP, 2005fa, 2004fa, 2003fa, 2002fa, 2001fa, 1999SP, 1997sp, 1997WI.

↑ Once again we ended up in an impasse. Let us recapitulate the argument. We observed that commodities, on the market, were treated as equals. Since they are not equal as physical objects, their only commonality being that they are products of labor, this equality must be the surface echo of the fact that in production, the labors producing these commodities count as equal. Of course, the producers can only then successfully and enduringly treat the different labors as equal if there is something actually equal in them. We found such a thing: the actual equality of all labor processes consists in all labor being the expenditure of human labor-power.

But when we tried to use this insight to determine the quantity of value, we ran into the paradox of the lazy or incompetent laborer. What did we overlook? We tried to explain a social relation by a physiological fact, i.e., we committed the error of reductionism. The physiological equality of all labor is the material basis, the *condition*, for the social relation of abstract labor, but it is not that social relation itself. In other words, the fact that all labors are the expenditure of human labor makes it *possible* for society to treat all labors as equal, but is by itself not yet this equal treatment. This equal treatment is a social act. Until now,

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human labor in the abstract had been introduced simply as the expenditure of human labor-power, without a social element. The lazy worker reminds us that abstract labor is indeed social.

By the way, in *Contribution*, the social character of abstract labor was thematized much earlier. Already during the introduction of abstract labor, in 271:1, Marx said that value-producing labor was not only abstract but also *general*, i.e., it transcended the individuality of the producers. But when Marx wrote *Capital*, he made no mention of this general character of abstract labor, although it was implicitly there (and hidden away) in the word “equal.” In *Contribution* 273:1, Marx introduces socially necessary labor-time, with much less fanfare than here, not triggered by an impasse as it is here in *Capital*.

On the other hand, if we look at the first edition of *Capital* 20:2, the argument until this point is identical to that in the later editions.

↓ The resolution of the impasse is therefore the reminder that the substance of value is equal human labor. Marx had already said in 128:2 that the substance of value is made up of “equal human labor, human labor in the abstract,” but until now he had not drawn attention to the social relation hidden in the little word “equal.” Now is a good opportunity to make this point, because it is obvious to the reader that the labor of the slow worker produces less value per hour than that of the fast worker.

The labor, however, which constitutes the substance of value is equal human labor, expenditure of the same human labor-power.

Die Arbeit jedoch, welche die Substanz der Werte bildet, ist gleiche menschliche Arbeit, Verausgabung derselben menschlischen Arbeitskraft.

↑ It is easy to feel misled or entrapped here. First Marx lulls the reader into forgetting that he is not talking about concrete labor because he uses the word “labor” several times without the attribute “abstract” or “equal.” Then he makes a big fuss about it that he has arrived at an absurd result. Why didn’t he say the correct thing already at the beginning, which would have prevented the paradox of the lazy worker from cropping up? Why did Marx wait until now to explicitly address the social dimension of abstract labor, where the failure to do so hit him in the face with the paradox of the lazy worker? Here are some thoughts about this:

On the one hand, this paradox is a convincing reminder that equal labor is a *social* determination, that equality is a *relation* between different labors.

On the other hand, just as our theoretical development ran into the dilemma of the lazy worker, every commodity producer is confronted with this same dilemma in his or her daily practical activity. Commodity producers themselves do not know either how much value their commodity has, all they know is how much time their concrete labor takes. Nevertheless, their production decisions will ultimately lead to the outcome that exchange-values are governed by abstract social labor. The step from the concrete labor-time to the magnitude of value, which Marx brings here in his abstract derivation, must be made by them in their practical activity. Marx shows awareness of this connection when he says in 167:1/o that the quantitative movements of the exchange proportions force the producers to actually equalize their labors.

Finally, one might answer this question on merely stylistic terms: as long as Marx could wait until now, as long as his earlier derivation could proceed *without* mentioning that abstract human labor is really something social, it was ok not to mention it. Marx tries to make his derivation immanent; he follows the inner development of those determinations he has already found and does not take in new facts or new ideas until this immanent development requires it. This is more than just a matter of style; this “lazy” way of bringing in new arguments causes these arguments to be discussed at that point where they are relevant in

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practice.

Question 99 (*Fri Sep 3–Tue Sep 7, 6 pm*) Regarding the question how to measure the quantity of value, Marx first gives a wrong answer, which is based on an oversight, and then corrects it. Why doesn't he give the right answer right away? [2009fa](#), [2008fa](#), [2007SP](#), [2003fa](#).

The last sentence we just read in [129:2](#), which reminds the reader that abstract human labor is a social relation because it is “equal human labor,” is the very next sentence after Marx makes the social character of equal labor drastically clear by the paradox of the lazy worker. But, as soon as Marx introduces this social character, he immediately shows how to get away from this social character again. Let us see how. In the above sentence, the transition from labor to labor-power is accompanied by a transition from “equal” to “same.” The labors are *equal* to each other because they are expenditures of one and the *same* human labor-power. Being expenditures of one and the same human labor-power explains why they are equal to each other—and now we no longer have to deal with the social relation of equality but with the glob of human labor-power from which these labors are derived. We reduced the social relation of equality to a substance, similar again to the polygon metaphor in [127:3](#).

↓ But if we look at this substance, we notice that this glob of human labor-power is composed of many individual labor-powers:

The total labor-power of society, which is represented in the values of the commodities produced by that society, counts here as one and the same human labor-power, although it is composed of innumerable individual labor-powers.

Die gesamte Arbeitskraft der Gesellschaft, die sich in den Werten der Warenwelt darstellt, gilt hier als ein und dieselbe menschliche Arbeitskraft, obgleich sie aus zahllosen individuellen Arbeitskräften besteht.

↓ The next question is therefore: how are the individual labor-powers, which have individual differences between them, combined to form this overall body constituting society's aggregate labor-power? This is an issue that arises in every society. One rational way to resolve this might perhaps be to pair the unskilled workers with skilled workers who can train them. In computer issues, there are many mailing lists in which “newbies” can get advice from experienced technicians. In a market system, this combination is done on much harsher and more punitive terms: each individual labor-power makes its contribution to the whole only to the extent that it conforms to the social average.

Each of these individual labor-powers is the same human labor-power as any other, to the extent that it has the character of the average labor-power of society and takes effect as such, and therefore requires, for producing a commodity, no more labor-time than is necessary on an average, no more than is *socially necessary*.

Jede dieser individuellen Arbeitskräfte ist dieselbe menschliche Arbeitskraft wie die andere, soweit sie den Charakter einer gesellschaftlichen Durchschnitts-Arbeitskraft besitzt und als solche gesellschaftliche Durchschnitts-Arbeitskraft wirkt, also in der Produktion einer Ware auch nur die im Durchschnitt notwendige oder *gesellschaftlich notwendige* Arbeitszeit braucht.

↑ It cannot be otherwise in a market economy, in which the individual labors relate to each other only as equal labor.

In this last passage, the word “average labor-power” is used twice. What is an average labor-power? In its modern definition, the word “average” denotes the arithmetic mean of

all actual labor processes. Such an approach to the computation of socially necessary labor-time was taken in [Fla83]. Although this is acceptable for a simplified mathematical model, it should not be taken literally. Marx's concept of "average" does not specify whether the median or the arithmetic mean or some other formula is meant. Mathematical formulas know nothing about the specific circumstances. It would be magic if a formula existed that could tell what the socially normal level is in every concrete circumstance. The question which labor process is socially necessary must be decided on a case-by-case basis. The fact that Marx wrote "*necessary on the average*" and not "*needed on the average*" is consistent with this interpretation that "average" is not an empirical category.

Question 100 (*Fri Sep 3–Tue Sep 7, 6 pm*) *Imagine you were studying Marxism together with a friend, and the friend said to you: Doesn't the labor theory of value imply that, the more lazy and inept the laborer, the more valuable his commodity would be? How would you answer your friend?* [2008fa](#), [2008SP](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#).

Question 102 (*Fri Sep 3–Tue Sep 7, 6 pm*) *Why is value determined by the labor-time needed under the socially average conditions of production, rather than by the best conditions of production attained in society?* [2008fa](#), [2007SP](#), [2004fa](#), [2002fa](#).

Question 103 (*Fri Sep 3–Tue Sep 7, 6 pm*) *The value of the product is determined by the socially necessary labor-time. What are the implications of this for a capitalist supervising his employees?* [2008fa](#), [2008SP](#), [2007SP](#), [2005fa](#).

↓ In order to determine when a given production method is *socially necessary*, Marx looks at two things: the labor-power used (skill and intensity) and technology.

The labor-time socially necessary is that required to produce an article under the prevailing socially normal conditions of production and with the socially average degree of skill and intensity.

Gesellschaftlich notwendige Arbeitszeit ist Arbeitszeit, die erheischt wird, um irgendeinen Gebrauchswert mit den vorhandenen gesellschaftlich-normalen Produktionsbedingungen und dem gesellschaftlichen Durchschnittsgrad von Geschick und Intensität der Arbeit darzustellen.

Later, in [303:1](#), Marx clarifies that the skill-level of the laborer and the intensity of the labor must be that which is normal *for the branch of production in question*.

Labor-power and technology enter the concept of socially necessary labor-time as follows:

- Regarding labor-power, different labor-powers are not exactly equal; and not every individual has the same talents, skills, or is putting in the same effort. But it is well known what the average is because most labor-powers are average. The reduction of a given labor-power to this average labor-power is made by the speed of the output (i.e., a labor-power that produces twice as fast as the average also produces twice the value).
- Regarding technology, that production method is the socially normal one which is prevalent and/or up to date. It is an abstraction from individual circumstances of production as well as from production methods which deviate from the norm. This notion of "necessary" is compatible with the fact that in an economy in which innovations are constantly made, some of the productive resources are of necessity always outdated.

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Exam Question 104 *The value of a commodity does not increase if it is made by a slow or inept laborer. Explain carefully why not. Whose decision is it to keep the value of the output of a slow worker below the time actually used for its production? How is it enforced?*
[2009fa](#), [2008fa](#), [2007SP](#), [2005fa](#), [2001fa](#), [1999SP](#), [1998WI](#), [1996ut](#), [1996sp](#), [1995ut](#), [1995WI](#).

The image of the lazy or incompetent laborer makes the concept of socially necessary labor-time look more natural and innocuous than it really is. Everyone thinks: if someone is lazy, he or she should not get full credit. Therefore this seems a fair system. But one need not be lazy or inept to be slower than others! A producer may also be slower because he or she is producing a work of art, or is making a unique contribution which nobody else can make. The concept of socially necessary labor-time leaves no room for this; it forces everyone to hurry up, everyone has to meet some minimum standards, everyone has to be like the others, it is a procrustean necessity which does not recognize exceptional contributions.

In a socialist society, in which it is no longer necessary to control and discipline the worker, the goal must therefore be exactly the opposite of socially necessary labor-time: instead of forcing everybody to work like everybody else, the goal must be to elicit the unique contributions, to turn everybody into an Einstein or Mozart. Wasted labor will then be labor in which the producer is not matched to production in such a way that he or she can make their best contribution.

But let us go back to the text.

Socially necessary labor-time is therefore a well-defined concept, but as the word already indicates, it is not identical to the labor-time actually used. The following example illustrates this difference:

The introduction of power looms into England probably reduced by one half the labor required to weave a given amount of yarn into cloth. The English hand-loom weavers, as a matter of fact, continued to require the same time as before; but after the change, the product of one hour of their individual labor represented only *half* an hour's social labor, and consequently fell to one-half its former value.

Nach der Einführung des Dampfwebstuhls in England z.B. genügte vielleicht halb so viel Arbeit als vorher, um ein gegebenes Quantum Garn in Gewebe zu verwandeln. Der englische Handweber brauchte zu dieser Verwandlung in der Tat nach wie vor dieselbe Arbeitszeit, aber das Produkt seiner individuellen Arbeitsstunde stellte jetzt nur noch eine *halbe gesellschaftliche Arbeitsstunde* dar und fiel daher auf die Hälfte seines früheren Werts.

In this example, the socially necessary labor-time is not the average of the old and new production methods, but the labor-time required by the new method. Why? Because power loom weaving is not only much cheaper production but also production on a much larger scale, so that hand weavers simply cannot coexist. In the Machinery chapter, p. [557:1/oo](#), Marx elaborates on this example in a way which makes the brutality of the reign of socially necessary labor-time much more explicit.

Now Marx summarizes his findings:

[129:3/o](#) That which determines the magnitude of the value of any article is therefore only the amount of *socially necessary labor*, or the *labor-time socially necessary for its production*.⁹

[54:1](#) Es ist also nur das *Quantum gesellschaftlich notwendiger Arbeit*, oder die zur *Herstellung eines Gebrauchswerts gesellschaftlich notwendige Arbeitszeit*, welche seine Wertgröße bestimmt.⁹

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Exam Question 105 Carefully explain how the “socially necessary labor-time” for the production of an article is determined. Is it the same as the time needed in the average to produce this article? [2008fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2001fa](#), [1999SP](#), [1997ut](#), [1996ut](#).

Question 106 (Fri Sep 3–Tue Sep 7, 6 pm) Did Marx introduce additional assumptions in order to resolve the paradox of the lazy worker, or does his solution follow from assumptions made or results derived in section [1.1.d](#)? [2008fa](#), [2005fa](#), [1999SP](#), [1997ut](#).

Question 107 (Fri Sep 3–Tue Sep 7, 6 pm) Marx argues in chapter One that the quantity of value is determined by socially necessary labor-time. Does this mean the exchange-proportions between commodities must be proportional to the socially necessary labor-time necessary to produce these commodities? [2008fa](#), [2007SP](#).

At the level of chapter One, which discusses commodity production in general, not yet capitalism, socially necessary labor is the *measuring stick* of the extent to which individual labor creates value. Under capitalism this measuring stick becomes a real *limit*:

The capitalist sees to it that he (the worker) . . . only uses as much labor-time as is necessary in the average for the production of the product. (*Results* 1010:1/o, related also 1020:3).

A worker who is slower than the others will not find a job in capitalism.

After his discussion of socially necessary labor-time, Marx gives an alternative, quite different argument why the labor necessary under normal circumstances, instead of the actual labor used, determines the value of a product.

The individual commodity counts here generally as an average sample of its kind.¹⁰ | Die einzelne Ware gilt hier überhaupt als Durchschnittsexemplar ihrer Art.¹⁰

↑ Marx writes “here *generally*” (*hier überhaupt*), because commodities count as average samples of their kind not only with respect to labor-time, but also with respect to their use-values, etc. See [200:4/o](#) and [317:4/o](#). ↓ One can also find this in the literature:

¹⁰ “All products of the same kind in fact form only one mass, the price of which is determined generally and without regard of the particular circumstances.” Le Trosne, [LT46, p. 893]

¹⁰ „Alle Erzeugnisse der gleichen Art bilden eigentlich nur eine Masse, deren Preis allgemein und ohne Rücksicht auf die besonderen Umstände bestimmt wird.“ Le Trosne, [LT46, p. 893]

This alternative argument is very brief, but easily elaborated. Even if the socially necessary labor-time is not actually contained in a particular article for sale, it usually is contained in the majority of other articles which have the same use-value. And as long as the use-values are identical, the buyers will not pay a higher price for one than for the other. An exceptionally slow worker must therefore compete with identical articles made by average laborers, therefore he cannot fetch a better price than they.

Isn’t this a much clearer and more convincing argument than the earlier abstract reasoning about socially necessary labor-time? Why didn’t Marx make this the centerpiece of his discussion? Answer: because this alternative argument stays entirely on the surface of the economy, in the competition between the different goods brought to the market. Marx says again and again that knowledge of these competitive mechanisms is not necessary, that the basic character of capitalism can be derived without looking at competition. The derivation of socially necessary labor earlier in this subsection can therefore be viewed as the derivation

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of a result which is familiar to all of us because it is the competitive outcome from the basic organization of production in capitalism, but the derivation proceeds without resorting to competition. Marx says more explicitly, as a side remark in chapter Fourteen, 464:1/o, that the extraneous competitive interactions force the producers to adhere to the law of socially necessary labor-time (a basic law of capitalism which does not derive from competition):

In the production of commodities generally, the labor-time expended on a commodity must not exceed that which is socially necessary for its production. This takes the form of an external compulsion by competition, since, in the surface interactions, each individual producer is obliged to sell his commodity at its market-price.

Daß auf eine Ware nur die zu ihrer Herstellung gesellschaftlich notwendige Arbeitszeit verwandt wird, erscheint bei der Warenproduktion überhaupt als äußerer Zwang der Konkurrenz, weil, oberflächlich ausgedrückt, jeder einzelne Produzent die Ware zu ihrem Marktpreis verkaufen muß.

Marx stresses on various places throughout his economic writings, for instance in 433:1, that competition, i.e., the interaction of the economic agents on the surface, *enforces* the laws of “capital in general,” but these laws cannot be *derived* from competition. Rather they must be derived from an analysis of the economic core structure itself, from what Marx calls the “immanent laws of capitalist production” or the “inner nature of capital.”

Question 108 (*Fri Sep 3–Tue Sep 7, 6 pm*) *What does Marx mean with the statement that “the individual commodity must here generally be considered as an average sample of its kind”? Give examples. Also try to give a reasoning why Marx’s statement might be true.* [2008fa](#), [1995WI](#).

Question 109 (*Fri Sep 3–Tue Sep 7, 6 pm*) *The magnitude of value is not determined by the labor-time actually in the product, but by the labor-time socially necessary to produce the product, because on the market, a product made under exceptional circumstances is indistinguishable from a product made under normal circumstances.*

Is this Marx’s argument? If you think it is, don’t answer this question but go back and re-read the text. If you agree that it is not, this question is for you: Why did Marx not make the above simple argument? [2008fa](#), [2007SP](#).

Next, Marx summarizes the results of his derivation:

Commodities, therefore, in which equal amounts of labor are embodied, or which can be produced with the same labor-time, have the same magnitude of value. The value of one commodity is to the value of any other, as the labor-time necessary for the production of the one is to that necessary for the production of the other. “As values, all commodities are only greater or smaller amounts of *congealed labor-time*.¹¹

Waren, worin gleich große Arbeitsquanta enthalten sind oder die in *derselben Arbeitszeit* hergestellt werden können, haben daher *dieselbe Wertgröße*. Der Wert einer Ware verhält sich zum Wert jeder andren Ware wie die zur Produktion der einen notwendige Arbeitszeit zu der für die Produktion der andren notwendigen Arbeitszeit. „Als Werte sind alle Waren nur bestimmte Maße *festge- ronnener Arbeitszeit*.“¹¹

This last sentence is a literal quote from *Contribution* 271:2/o, with the only difference that *Contribution* wrote “exchange-value” instead of “values.”

After this determination of the magnitude of value, Marx discusses now circumstances under which this magnitude changes:

1.1. Use-Value and Value

130:1/o The value of a commodity remains constant as long as the labor-time required for its production also remains constant. But the latter changes with every variation in the *productive power of labor*. The productive power of labor is determined by many different circumstances, such as the workers' average degree of skill, the level of development of science and of its technological applicability, the social organization of the production process, the extent and effectiveness of the means of production, the conditions found in the natural environment, and others.

With so many factors affecting the value of a commodity, one should not expect it to be constant for long. Agriculture is a notorious example:

For example, the same quantity of labor is present in eight bushels of wheat in favorable seasons and in only four bushels in unfavorable seasons.

In a second example, Marx discusses the value of raw materials:

The same quantity of labor provides more metal in rich mines than in poor. Diamonds are of very rare occurrence on the earth's surface, and hence their discovery requires *on an average* a great deal of labor-time. Consequently they represent much labor in a small volume.

54:2/o Die *Wertgröße* einer Ware bliebe daher konstant, wäre die zu ihrer Produktion erheischte Arbeitszeit konstant. Letztere wechselt aber mit jedem Wechsel in der *Produktivkraft der Arbeit*. Die Produktivkraft der Arbeit ist durch mannigfache Umstände bestimmt, unter anderen durch den Durchschnittsgrad des Geschickes der Arbeiter, die Entwicklungsstufe der Wissenschaft und ihrer technologischen Anwendbarkeit, die gesellschaftliche Kombination des Produktionsprozesses, den Umfang und die Wirkungsfähigkeit der Produktionsmittel, und durch *Naturverhältnisse*.

Dasselbe Quantum Arbeit stellt sich z.B. mit günstiger Jahreszeit in 8 Bushel Weizen dar, mit ungünstiger in nur 4.

Dasselbe Quantum Arbeit liefert mehr Metalle in reichhaltigen als in armen Minen usw. Diamanten kommen selten in der Erdrinde vor, und ihre Findung kostet daher im Durchschnitt viel Arbeitszeit. Folglich stellen sie in wenig Volumen viel Arbeit dar.

Question 112 (*Fri Sep 3–Tue Sep 7, 6 pm*) How is the value of raw materials determined in Marx's theory? How does the scarcity of these materials influence their value? Is Marx's argument still valid in the case of an exhaustible resource, which is present only in finite supply? [2008fa](#), [2008SP](#), [2007SP](#), [2005fa](#), [2003fa](#), [2002fa](#), [1997ut](#), [1997sp](#), [1997WI](#), [1996sp](#), [1995ut](#), [1995WI](#).

According to a naive neoclassical approach, natural scarcity affects the price in the following way: supply is limited, and therefore a high price is necessary to keep demand in line with supply. Marx postulates a different mechanism: due to the natural scarcity of the materials, a lot of labor is needed to extract the materials, and the high price is a reflection of this quantity of labor.

Next Marx gives empirical evidence which seems to contradict his own thesis: namely, that market prices of scarce materials are *below* their labor content. The "Jacob" he refers to here is [Jac31, Vol. 2, p. 101].

Jacob questions whether gold has ever been paid for at its full value. This applies still more to diamonds. According to *Eschwege*, the total product of the Brazilian diamond mines for the eighty years ending

Jacob bezweifelt, daß Gold jemals seinen vollen Wert bezahlt hat. Noch mehr gilt dies vom Diamant. Nach *Eschwege* hatte 1823 die achtzigjährige Gesamtausbeute der brasilianischen Diamantgruben noch nicht

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in 1823 still did not amount to the price of 1 1/2 years' average product of the sugar and coffee plantations of the same country, although the diamonds represented much more labor, therefore more value.

Marx does not explain why there is a discrepancy between labor content and market price. Like all laws, the law that the magnitude of value is set by the quantity of labor is only a tendencial law, whose effect may be modified or blocked by other effects. This itself is nothing remarkable. But it is relevant that in this case prices are *below* instead of above labor content. If scarcity were to affect prices directly, i.e., through deficient supply, rather than through labor content, then one should expect prices of scarce materials to be above their values. In his "Notes to Wagner" [mecw24]536:8/o, Marx discusses situations in which a commodity is scarce, in which case, he says, their prices are above values. Since in the present situation prices are below their values determined by their labor content, scarcity cannot have been the reason for these prices.

Question 113 (*Fri Sep 3–Tue Sep 7, 6 pm*) After claiming that the value of scarce goods is determined by labor-time, Marx brings the example where one scarce good, gold, historically never has traded at prices proportional to the labor-time embodied in it. What is Marx trying to prove with this counterexample to his own theory? [2009fa](#), [2008fa](#), [2007SP](#).

At the end, Marx returns from the discussion of raw materials to the discussion of technical change in general. Diamonds lend themselves well to this transition, since industrial production of diamonds is thinkable.

With richer mines, the same quantity of labor would represent itself in more diamonds, and their value would fall. If man succeeded, without much labor, in transforming carbon into diamonds, their value might fall below that of bricks.

Technological progress induces a discrepancy, even a contradiction between value and real wealth:

In general, the greater the productive power of labor, the less the labor-time required to produce an article, the lower the mass of labor crystallized in that article, and the lower its value. Inversely, the lower the productive power of labour, the greater the labor-time necessary to produce an article, and the greater its value. The value of a commodity, therefore, varies directly as the quantity, and inversely as the productive power, of the labor which comes to fruition in the commodity.

den Preis des 1 1/2jährigen Durchschnittsprodukts der brasilischen Zucker- oder Kaffeeplantagen erreicht, obgleich sie viel mehr Arbeit darstellte, also mehr Wert.

Mit reichhaltigeren Gruben würde dasselbe Arbeitsquantum sich in mehr Diamanten darstellen und ihr Wert sinken. Gelingt es, mit wenig Arbeit Kohle in Diamant zu verwandeln, so kann sein Wert unter den von Ziegelsteinen fallen.

Allgemein: Je größer die Produktivkraft der Arbeit, desto kleiner die zur Herstellung eines Artikels erheischt Arbeitszeit, desto kleiner die in ihm kristallisierte Arbeitsmasse, desto kleiner sein Wert. Umgekehrt, je kleiner die Produktivkraft der Arbeit, desto größer die zur Herstellung eines Artikels notwendige Arbeitszeit, desto größer sein Wert. Die Wertgröße einer Ware wechselt also direkt wie das Quantum und umgekehrt wie die Produktivkraft der sich in ihr verwirklichenden Arbeit.

With changes of productive powers of labor, the relationship between the use-value and the value of a commodity changes. It is therefore fitting that this section concludes with some more general remarks about the relationship between use-value and exchange-value.

131:1 A thing can be a use-value without being a value. This is the case whenever labor is not necessary to mediate its utility to man. Air, virgin soil, natural meadows, un-planted forests, etc. A thing can be useful, and a product of human labor, without being a commodity. He who satisfies his own need with the product of his own labor creates use-values, but not commodities. In order to produce the latter, he must not only produce use-values, but use-values for others, social use-values. {And not merely for others. The medieval peasant produced a grain-rent for the feudal lord and a grain-tithe for the priest; but neither the grain-rent nor the grain-tithe became commodities simply by being produced for others. In order to become a commodity, the product must be transferred to the other person, for whom it serves as a use-value, through the medium of exchange.}^{11a} Finally, nothing can be a value without being an object of utility. If the thing is useless, so is the labor contained in it; the labor does not count as labor, and therefore does not create value.

This remark about the relationship between use-value and exchange-value concludes section 1.1. Here is a related passage from *Capital III*, 786:1:

Use-value is the carrier of exchange-value, but not its cause. If the same use-value could be obtained without labor, it would have no exchange-value, yet it would retain, as before, the same natural usefulness as use-value. On the other hand, a thing cannot have exchange-value without having use-value, i.e., without being such a natural carrier of labor.

The second sentence in this excerpt argues that the use-value is not the cause of exchange-value, since there are use-values which are not exchange-values, and the third sentence argues that it is the carrier, because there are no exchange-values without a use-value.

In the first edition, 21:2, the following paragraph follows now, which introduces the subject of section 1.2:

We know now the *substance* of value. It is *labor*. We know the *measure of its magnitude*: it is *labor-time*. Its *form*, which is what makes the *value* an *exchange-value* remains to be analyzed. But first, the determinations

55:1 Ein Ding kann Gebrauchswert sein, ohne Wert zu sein. Es ist dies der Fall, wenn sein Nutzen für den Menschen nicht durch Arbeit vermittelt ist. So Luft, jungfräulicher Boden, natürliche Wiesen, wildwachsendes Holz usw. Ein Ding kann nützlich und Produkt menschlicher Arbeit sein, ohne Ware zu sein. Wer durch sein Produkt sein eigenes Bedürfnis befriedigt, schafft zwar Gebrauchswert, aber nicht Ware. Um Ware zu produzieren, muß er nicht nur Gebrauchswert produzieren, sondern Gebrauchswert für andre, gesellschaftlichen Gebrauchswert. {Und nicht nur für andre schlechthin. Der mittelalterliche Bauer produzierte das Zinskorn für den Feudalherrn, das Zehntkorn für den Pfaffen. Aber weder Zinskorn noch Zehntkorn wurden dadurch Ware, daß sie für andre produziert waren. Um Ware zu werden, muß das Produkt dem andern, dem es als Gebrauchswert dient, durch den Austausch übertragen werden.}^{11a} Endlich kann kein Ding Wert sein, ohne Gebrauchsgegenstand zu sein. Ist es nutzlos, so ist auch die in ihm enthaltene Arbeit nutzlos, zählt nicht als Arbeit und bildet daher keinen Wert.

So ist der Gebrauchswert überhaupt Träger des Tauschwerts, aber nicht seine Ursache. Derselbe Gebrauchswert, könnte er ohne Arbeit verschafft werden, hätte keinen Tauschwert, behielte aber nach wie vor seine natürliche Nützlichkeit als Gebrauchswert. Andererseits aber hat ein Ding keinen Tauschwert ohne Gebrauchswert, also ohne solchen natürlichen Träger der Arbeit.

Wir kennen jetzt die *Substanz* des Werths. Es ist die *Arbeit*. Wir kennen sein *Größenmaß*. Es ist die *Arbeitszeit*. Seine *Form*, die den *Werth* eben zum *Tausch-Werth* stempelt, bleibt zu analysiren. Vorher sind je-

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which we have already found must be developed a little more closely.

doch die bereits gefundenen Bestimmungen etwas näher zu entwickeln.

1.2. Double Character of the Labor Represented in Commodities

After an introductory paragraph, Marx first discusses labor producing use-value and then labor producing value. He looks at the latter both from qualitative and quantitative angles.

131:2/o Originally, the *commodity* appeared to us as something *two-edged*, use-value and exchange-value.

56:1 Ursprünglich erschien uns die *Ware* als ein *Zwieschlächtiges*, Gebrauchswert und Tauschwert.

The original use of *zwieschlächtig* is *zwieschlächtiges Schwert* (two-edged sword), hence the translation “two-edged.” Here is the Moore Aveling translation: “At first sight a commodity presented itself to us as a complex of two things—use-value and

exchange-value.” It should not be called “a complex,” since the connection between the two does not strike the eye “at first sight”; at first sight, there is more likely to be a confusing muddle between the two. Use-value and exchange-value can also not be called “things,” “moments” or

“edges” is more adequate. The words “moments” (as in angular moments) or “edges” (as in the two edges of a sword) imply that one cannot exist without the other (value cannot exist without use-value), while “things” has the connotation that both can exist separately.

↑ This two-edged character of the commodity is easy to see. Everybody handling commodities on the surface of the economy has to grapple with it. ↓ But the following observation is not immediately obvious from surface experience:

Later on, it turned out that also the labor, so far as it finds expression in value, no longer possesses the same characteristics which belong to it as creator of use-values.

Später zeigte sich, daß auch die Arbeit, soweit sie im Wert ausgedrückt ist, nicht mehr dieselben Merkmale besitzt, die ihr als Erzeugerin von Gebrauchswerten zukommen.

Question 115 (Tue Sep 7, 6 pm–Thu Sep 9) If the product is different, then the labor producing this product must be different as well. Isn’t this obvious? Why does Marx act as if this was a scientific insight? [2008fa](#), [2007fa](#).

↑ Note that Marx has switched from “exchange-value” in the first sentence of the paragraph to “value.” Marx refers here to the analysis in 128:2 starting with the words “the product of labor has already undergone a change in our hands.” Most of that earlier analysis had focused on the common substance which the *products* of labor have as values, but starting in the middle of 128:2 until the end of that same paragraph Marx had also said something about the labor producing these commodities. The present section looks at this labor in much more detail.

One of the emphases of the earlier analysis was that the social value quasi-material inside the products is real. These Annotations tried to make this palpable by saying it is as real as a brick wall. The analogy of a brick wall is even strengthened in the present section, because Marx argues here that, just like a brick wall, the value quasi-material has to be produced by a real process. The labor process must therefore accomplish two things at the same time. On the one hand, it produces the use-value of the commodity, and on the other it also produces this value quasi-material. The present section shows that these two goals are not in harmony with each other, because they depend on different aspects of the labor process. The French

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version of the above sentence, p. 25:1, defines this disharmony more explicitly than the German:

Later on, we saw that all the characteristics which distinguish the labor producing use-values disappear as soon as the labor expresses itself in value.

The fact that the labor process has two conflicting goals is an important characteristic of capitalism:

I was the first to critically prove¹² this twofold nature of the labor contained in commodities.

Ensuite nous avons vu que tous les caractères qui distinguent le travail productif de valeurs d'usage disparaissent dès qu'il s'exprime dans la valeur proprement dite.

Diese zwieschlächtige Natur der in der Ware enthaltenen Arbeit ist zuerst von mir kritisch nachgewiesen worden.¹²

Question 117 (Tue Sep 7, 6 pm–Thu Sep 9) How did Marx “critically prove” (*131:2/o*) that labor under capitalism has a two-edged character?

2009fa.

Marx considers this as one of the most important points in *Capital*. In a letter to Engels dated August 24, 1867 he writes:

The best in this book is, 1., (and this is what *all* understanding of the FACTS is based upon) the *double character of labor*, according to whether it expresses itself in use-value or exchange-value, which I emphasize already in the *first* chapter.

In the next sentence now in *Capital*, the importance of this point is emphasized as well: Since this point is pivotal for an understanding of political economy, it will be explained here in more detail.

Das Beste an meinem Buch ist 1. (darauf beruht *alles* Verständnis der facts) der gleich im *Ersten Kapitel* hervorgehobne *Doppelcharakter der Arbeit*, je nachdem sie sich in Gebrauchswert oder Tauschwert ausdrückt; ...

Da dieser Punkt der Springpunkt ist, um den sich das Verständnis der politischen Ökonomie dreht, soll er hier näher beleuchtet werden.

Why is this such a pivotal insight? Although the value of the commodities is not physical—it is only a quasi-material and not a material—one should not say it is a social fiction. It has a physical basis because the process which creates value is a physical process. Value is a social relation which has a material basis, and with the two-fold character of labor Marx addresses this material basis.

1.2.a. [A Closer Look at Useful Labor]

132:1 Let us take two commodities such as a coat and 10 yards of linen. Assume the former has double the value of the latter, so that, if 10 yards of linen = W , the coat = $2W$.

Marx begins with two arbitrary commodities with different use-values. In the right proportions they can be exchanged against each other. But for the discussion that follows it is not necessary that they have equal values; in the example the coat has twice the value of the linen. For the discussion of use-values it would not even be necessary to look at two commodities, one would be enough. And indeed, Marx focuses here on the coat:

56:2 Nehmen wir zwei Waren, etwa einen Rock und 10 Ellen Leinwand. Der erste habe den zweifachen Wert des letzteren, so daß, wenn 10 Ellen Leinwand = W , der Rock = $2W$.

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132:2 The coat is a use-value that satisfies a particular want.

(Of course, linen is a use-value too.)

To bring it into existence, a *specific sort of productive activity* is necessary, specified by its purpose, mode of operation, object, means, and result.

56:3 Der Rock ist ein Gebrauchswert, der ein besonderes Bedürfnis befriedigt.

Um ihn hervorzubringen, bedarf es einer *bestimmten Art produktiver Tätigkeit*. Sie ist bestimmt durch ihren Zweck, Operationsweise, Gegenstand, Mittel und Resultat.

The word that is translated with “bring into existence” is in German “*Hervorbringen*” (bring forward). “Bring forward” is the

etymological meaning of “produce”: pro is forward, and ducere is to lead. This choice of words signals a transformational

view of production: production is not the creation of something new, but it only “brings forward” what is already there.

↑ Coats do not grow on trees. They cannot exist without “productive activity.” The word “productive activity” refers to the purposeful and conscious activity which only humans can perform, see 283:2/o. In chapter Seven, Marx will discuss this activity in more detail. At the present point, the double character of labor is discussed as a necessary implication of the commodity relation. In chapter Seven, it will be discussed as the deliberate procedure how to exploit the laborer. Presently Marx is making a comparison: he highlights those aspects of labor which are different if the activity is seen as the production of use-values than if seen as the production of value. The first point picked out by Marx is that for the production of use-value, each such productive activity must be very specific. It must satisfy certain conditions without which the desired use-value simply will not materialize. What is translated here with “specification” is in German the Hegelian “determination.” Marx brings five such determinations or specifications defining the labor process producing coats. The first is its purpose: “What do I want to get done?” The next question is: “What kind of activity is necessary to achieve this?” Hence, “What to work on, and what to work with?” And finally, “Are my efforts yielding the desired result?” If not, the labor process must be modified until it does. In 295:4/o Marx reiterates that these are the aspects of human productive activity.

Question 121 (Tue Sep 7, 6 pm–Thu Sep 9) Can you think of determinants of the labor process which do not belong to it as useful labor? 2008fa, 2007SP.

↓ The rest of the paragraph defines the terminology. (a) Whenever we refer to labor under the aspect of the usefulness of its product, we call it “useful labor.”

The labor whose usefulness represents itself in the use-value of its product, or in the fact that its product is a use-value, will simply be called *useful labor*.

Die Arbeit, deren Nützlichkeit sich so im Gebrauchswert ihres Produkts oder darin darstellt, daß ihr Produkt ein Gebrauchswert ist, nennen wir kurzweg *nützliche Arbeit*.

The phrase “labor whose usefulness represents itself in the use-value of its product” can be understood in two different ways:

- labor is useful if it produces a product that has any use-value of whatever kind,
- labor is useful to the extent that its product is useful.

In order to remove this ambiguity, Marx adds the clause “or in the fact that its product is a use-value.” This means, the first meaning applies here. The term “useful labor” does not involve a judgment about the use-value of the product. Even if the end product is useless

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or even destructive, the labor producing it is called “useful labor” as long as it manages to produce this end product. E.g., the labor producing nuclear weapons falls under the category of “useful labor” as defined here.

↓ (b) Conversely, if we use the term “useful labor” we refer to its effect on the use-value of the product (and not to any other effects it may have on the worker etc.).

<p>Whenever we call it such, we will consider it with respect to its <i>useful effect</i>.</p>	<p>Unter diesem Gesichtspunkt wird sie stets betrachtet mit Bezug auf ihren <i>Nutzeffekt</i>.</p>
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Question 122 (Tue Sep 7, 6 pm–Thu Sep 9) *If the product is useless, can the labor producing it still be considered useful labor?* [2009fa](#), [2008fa](#)

↓ Marx started with two commodities, coat and linen. Each has a very specific kind of labor in it. I.e., the labors needed to produce the different use-values are very *different* from each other.

<p>132:3 Just as the use-values of coat and linen are <i>qualitatively different</i>, so also are the activities that mediate the useful properties of coat and linen, <i>tailoring</i> and <i>weaving</i>.</p>	<p>56:4 Wie Rock und Leinwand <i>qualitativ verschiedne Gebrauchswerte</i>, so sind die ihr Dasein vermittelnden Arbeiten <i>qualitativ verschieden—Schneiderei und Weberei</i>.</p>
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↑ Labor is called here the mediator, not the creator of the use-value, because the potential for use-values is contained in the physical qualities of the things.

A more literal translation of the sentence we just read would be:

Just as the coat and the linen are two *qualitatively different use-values*, so also

are the activities that mediate their determinate being,

tailoring and *weaving*.

The term “determinate being” is a translation of the German

“*Dasein*”—an often-used colloquial term which was given a philosophical meaning by Hegel. The determinate being of something is a form of existence in which certain inner traits of that thing (here: those relevant for human life) are brought forward.

↓ The qualitative difference between the labors is even *necessary* because we began with two commodities which are (in the right proportions) *exchangeable* against each other.

Were these two objects not qualitatively different use-values and therefore the products of useful labors of different quality, they could not face each other as *commodities*. Coats are not exchanged for coats. The same use-value is not exchanged for the same use-value.

Wären jene Dinge nicht qualitativ verschiedne Gebrauchswerte und daher Produkte qualitativ verschiedner nützlicher Arbeiten, könnten sie sich überhaupt nicht als *Waren* gegenüberstehen. Rock tauscht sich nicht aus gegen Rock, derselbe Gebrauchs-wert nicht gegen denselben Gebrauchs-wert.

↓ Generalizing this from our two example commodities to all commodities, one sees that commodity production has a big system of division of labor in the background:

132:4 In the totality of all different use-values or bodies of commodities appears a totality of equally diverse useful labors, differing in order, genus, species and variety—a *social division of labor*.

56:5/o In der Gesamtheit der verschiedenartigen Gebrauchswerte oder Warenkörper erscheint eine Gesamtheit ebenso manigfaltiger, nach Gattung, Art, Familie, Unterart, Varietät verschiedner nützlicher Arbeiten—eine *gesellschaftliche Teilung der Arbeit*.

Since commodities can only be exchanged if their use-values are different, Marx concludes that a social division of labor must be present whenever the products are generally

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produced as commodities. Although a social division of labor is one of the *prerequisites* of commodity production, it enters this derivation here *after* commodity production. Marx begins with the premise that commodity producing societies exist and function, and asks what else we know about a society if we know that it produces commodities. ↓ This does not mean that the division of labor developed *in order to* make commodity production possible. Marx addresses this in his next point. Not every society with division of labor produces commodities.

This division of labor is a necessary condition for the production of commodities, though it does not follow, conversely, that the production of commodities is a necessary condition for the division of labor. In the primitive community in India there is social division of labor without the *products* becoming *commodities*. Or, to take a less remote example, in every factory the labor is systematically divided, but this division is not mediated by the operatives exchanging their *individual products*.

↓ An additional element, in addition to division of labor, is necessary for commodity production.

Only the products of *mutually independent self-directed private labors* face each other as *commodities*.

Sie ist Existenzbedingung der Warenproduktion, obgleich Warenproduktion nicht umgekehrt die Existenzbedingung gesellschaftlicher Arbeitsteilung. In der altindischen Gemeinde ist die Arbeit gesellschaftlich geteilt, ohne daß die *Produkte zu Waren* werden. Oder, ein näher liegendes Beispiel, in jeder Fabrik ist die Arbeit systematisch geteilt, aber diese Teilung nicht dadurch vermittelt, daß die Arbeiter *ihre individuellen Produkte austauschen*.

Nur Produkte selbständiger und von *einander unabhängiger Privatarbeiten* treten einander als *Waren* gegenüber.

Question 123 (Tue Sep 7, 6 pm–Thu Sep 9)

How does the division of labor in commodity-producing societies differ from that in other societies? (Some material for answering this Question is in Grundrisse, 102:2–105:0). 2008fa, 2007SP, 2000fa.

132:5/o We have therefore seen:

This paragraph recapitulates what has been said about useful labor in this section.

The use-value of every commodity incorporates useful labor, i.e., a specific purposeful productive activity.

↑ This summarizes 132:2.

Use-values cannot confront each other as *commodities*, unless they are produced by qualitatively different useful labors.

↑ This is a summary of 132:3.

In a society in which products *generally* take the form of *commodities*, i.e., in a society of commodity producers, this qualitative difference between the useful labors that are carried on independently from each other as the private businesses of self-directed producers, develops into a system with many

57:1 Man hat also gesehen:

In dem Gebrauchswert jeder Ware steckt eine bestimmte zweckmäßig produktive Tätigkeit oder nützliche Arbeit.

Gebrauchswerte können sich nicht als *Waren* gegenüberstehen, wenn nicht qualitativ verschiedene nützliche Arbeiten in ihnen stecken.

In einer Gesellschaft, in der die Produkte *allgemein* die Form der *Ware* annehmen, d.h. in einer Gesellschaft von Warenproduzenten, entwickelt sich dieser qualitative Unterschied der nützlichen Arbeiten, welche unabhängig voneinander als Privatgeschäfte selbständiger Produzenten be-

components, a social division of labor.

trieben werden, zu einem vielgliedrigen System, zu einer gesellschaftlichen Teilung der Arbeit.

↑ This final passage of the paragraph repeats 132:4: division of labor is a precondition of commodity production. Marx adds here that this precondition is reproduced and extended by commodity production itself. This is the only new observation in this paragraph, but it is an important recurring theme. By reproducing its prerequisites, commodity production makes itself independent of these prerequisites—without this it would not be able to gain a life of its own. In 252:2/o and 711:1, Marx shows that also in other respects, the capitalist system reproduces its prerequisites.

Exam Question 126 (a) Why is it necessary for the exchange of commodities that they contain qualitatively different kinds of useful labor?

(b) Can commodity production exist without division of labor?

(c) Can division of labor exist without commodity production?

(d) How does commodity production influence the division of labor? 2008fa, 2007fa, 2004fa, 2003fa, 1997ut, 1997sp, 1996ut, 1995ut, 1995WI.

Before turning to exchange-value, Marx makes two side remarks, each in a separate paragraph, addressing possible misunderstandings of the above.

(1) Since use-values must be produced in all societies, one might think that everything said so far is valid in all societies. This is true with one important caveat: although useful labor is a transhistorical necessity, and although the labor processes producing different use-values can be very different from each other and require specific skills, it does not follow that specific individuals must be tied to specific labor processes on a full-time basis:

133:1 Anyhow, it makes no difference to the coat whether it is worn by the tailor or by the tailor's customer. In either case it serves as a use-value.

57:2 Dem Rock ist es übrigens gleichgültig, ob er vom Schneider oder vom Kunden des Schneiders getragen wird. In beiden Fällen wirkt er als Gebrauchswert.

↑ The use-value of the coat is the same whether or not the person who consumes the coat has also produced it. (By contrast, a coat produced for self-consumption does not count as value).

Question 127 (Tue Sep 7, 6 pm–Thu Sep 9) Marx says in 133:1 that it does not matter for the use-value of the coat whether it is worn by the tailor or by someone else. Is this correct for every use-value? If you write a computer program for yourself then you often obey different principles than if you write it for others to use. A program which “works for me” is often poorly documented and does not consider all the possible situations which different users of the program might find themselves in. 2009fa, 2008SP.

↓ Not only is it irrelevant, from the point of view of use-value, whether the coat is consumed by the person who made it or by someone else, but the principles governing the production of this use-value are also not affected by it whether tailoring has become a separate profession:

Nor is the relation between the coat and the labor producing it altered in and for itself by the circumstance that tailoring becomes a particular trade, a separate branch of the

Ebensowenig ist das Verhältnis zwischen dem Rock und der ihn produzierenden Arbeit an und für sich dadurch verändert, daß die Schneiderei besondere Profession wird,

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social division of labor.

↓ Coats can be produced without anyone being a tailor:
Forced by the want for clothing, humans tailored for thousands of years before anyone became a tailor.

↑ Marx is well aware that every production process is by necessity co-operative and therefore social. In his *Introduction to Grundrisse*, [mecw28]18:1, he writes that solitary production is as unthinkable as solitary language. But Marx's point is here that it is not necessary to have the same person tied to one production process for their whole lives. As he famously remarked, people can be tailors in the morning and philosophers in the afternoon. *Contribution 278:1* seems relevant for the preceding passage, although it addresses a slightly different issue.

Question 129 (Tue Sep 7, 6 pm–Thu Sep 9) *Would a society in which people tailor in the morning and philosophize in the afternoon not be filled with dilettante tailors and philosophers neither of whom has time to get to the bottom of their profession?* 2008fa.

↓ Although the division of humankind into specialized professions is not a transhistorical necessity, useful labor itself is:

But at all times, a special purposeful productive activity, assimilating particular nature-given materials to particular human wants, has been necessary to mediate the useful properties of coat, linen, and all other elements of *material wealth* not spontaneously provided by Nature.

↑ This sounds as if a solitary human being would be able to produce. Marx neglects to say here that production requires skills and the produced means of production, which make every production process a truly social matter. This omission does not affect the point Marx is trying to make here, namely: ↓ Since produced use-values are necessary for human life, so is useful labor.

So far as labor forms use-values, i.e., as *useful labor*, it is therefore a necessary condition, independent of all forms of society, for the existence of the human race; it is an eternal nature-imposed necessity, in order to mediate the metabolism between man and nature, and thus human life.

(2) In his second side remark, Marx reminds us that human labor cannot produce use-values without the contribution of nature.

133:2/o Any of the use-values coat, linen, etc., in short any body of a commodity, is a *combination of two elements*—matter and labor. If we take away the useful labor expended upon them, a material substratum is always left, which is furnished by nature

selbständiges Glied der gesellschaftlichen Teilung der Arbeit.

Wo ihn das Kleidungsbedürfnis zwang, hat der Mensch jahrtausendelang geschneidert, bevor aus einem Menschen ein Schneider ward.

Aber das Dasein von Rock, Leinwand, jedem nicht von Natur vorhandnen Element des *stofflichen Reichtums*, mußte immer vermittelt sein durch eine spezielle, zweckmäßig produktive Tätigkeit, die besondere Naturstoffe besondren menschlichen Bedürfnissen assimiliert.

Als Bildnerin von Gebrauchswerten, als nützliche Arbeit, ist die Arbeit daher eine von allen Gesellschaftsformen unabhängige Existenzbedingung des Menschen, ewige Naturnotwendigkeit, um den Stoffwechsel zwischen Mensch und Natur, also das menschliche Leben zu vermitteln.

57:3/o Die Gebrauchswerte Rock, Leinwand, usw., kurz die Warenkörper, sind Verbindungen von zwei Elementen, Naturstoff und Arbeit. Zieht man die Gesamtsumme aller verschiedenen nützlichen Arbeiten ab, die in Rock, Leinwand usw. stecken, so

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without the help of man. In his production man can proceed only in the same way as nature itself does, i.e., by *changing the forms of matter*.¹³

The *transformational* view of production implied here is emphasized in the footnote.

¹³ “All phenomena of the universe, whether they are produced by the hand of man or by the general laws of physics, are not actual creations but solely modifications of matter. ‘Putting together’ and ‘separating’ are the only elements which can be found in analyzing the idea of reproduction; and the same applies to the reproduction of value” (use-value, though Verri in his controversy with the Physiocrats is not quite certain himself which kind of value he is speaking of) and of wealth, when earth, air, and water transmute themselves in the fields into grain, or if by the hand of man the secretion of an insect transmutes itself into silk, or if some metal pieces are arranged in order to form a watch.” [Ver04, pp. 21, 22]

bleibt stets ein materielles Substrat zurück, das ohne Zutun des Menschen von Natur vorhanden ist. Der Mensch kann in seiner Produktion nur verfahren, wie die Natur selbst, d.h. nur die *Formen der Stoffe ändern*.¹³

¹³ „Alle Erscheinungen des Weltalls, seien sie hervorgerufen von der Hand des Menschen oder durch die allgemeinen Gesetze der Physik, sind nicht tatsächliche Neuschöpfungen, sondern lediglich eine Umformung des Stoffes. Zusammensetzen und Trennen sind die einzigen Elemente, die der menschliche Geist immer wieder bei der Analyse der Vorstellung der Reproduktion findet; und ebenso verhält es sich mit der Reproduktion des Wertes“ (Gebrauchswert, obgleich Verri hier in seiner Polemik gegen die Physiokraten selbst nicht recht weiß, von welcher Sorte Wert er spricht) „und des Reichtums, wenn Erde, Luft und Wasser auf den Feldern sich in Korn verwandeln oder auch wenn sich durch die Hand des Menschen die Abscheidung eines Insekts in Seide verwandelt, oder einige Metallteilchen sich anordnen, um eine Repetieruhr zu bilden.“ [Ver04, pp. 21, 22]

Now back to the main text: Nature not only delivers the material on which labor acts, but the labor process itself is assisted by natural forces.

What is more, in this labor of forming he is constantly helped by natural forces.

Noch mehr. In dieser Arbeit der Formung selbst wird er beständig unterstützt von Naturkräften.

↓ Summary: However indispensable labor is, it is not the only ingredient necessary to produce the use-values which humans need. Nature is indispensable too.

We see, then, that *labor is not the only source of the use-values it produces or of material wealth*. As William Petty puts it: labor is its father and the earth its mother.

Arbeit ist also nicht die einzige Quelle der von ihr produzierten Gebrauchswerte, des stofflichen Reichtums. Die Arbeit ist sein Vater, wie William Petty sagt, und die Erde ist seine Mutter.

Question 130 (Tue Sep 7, 6 pm–Thu Sep 9) When Marx wrote that *labor is the father and natural forces are the mother of use-values*, should he also have included produced means of production in addition to nature and labor? [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [1999SP](#).

Exam Question 132 Is *labor the only source of the use-values of its products, or do other factors contribute to the use-values as well?* Is *labor the only source of the values of its products, or do other factors contribute to the values as well?* (“Value” is here the property which makes things exchangeable.) [2005fa](#), [2004fa](#), [2000fa](#), [1999SP](#), [1997WI](#), [1996sp](#), [1995ut](#), [1995WI](#).

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In his *Critique of Gotha Programme*, marginal note to the first part of §1, p. [mecw24] 81:2, Marx says the same thing:

Labor is *not the source* of all wealth. *Nature* is just as much the source of use-values (and it is surely of such that material wealth consists!) as labor, which itself is only the manifestation of a force of nature, human labor-power.

Die Arbeit ist *nicht die Quelle* alles Reichtums. Die Natur ist ebenso sehr die Quelle der Gebrauchswerte (und aus solchen besteht doch wohl der sachliche Reichtum!) als die Arbeit, die selbst nur die Äußerung einer Naturkraft ist, der menschlichen Arbeitskraft.

Question 134 (Tue Sep 7, 6 pm–Thu Sep 9) *Saying that labor is the source of all wealth seems a pro-worker stance. In [mecw24]81:2, Marx argues on the contrary that the assertion that labor is the only source of use-values is a pro-capitalist and anti-worker ideology. Can you guess, without going to Marx's text, how that can be the case?* 2008fa, 2008SP, 2007SP, 2002fa, 2000fa, 1997ut, 1996ut, 1995WI.

1.2.b. [Labor Producing Value: Quality]

134:1 Let us now pass from the commodity, so far as it is a useful object, to the *value* of commodities.

We are still looking at the same two commodities as in 132:1, but now we are looking at them as values instead of use-values:

134:2 By our assumption, the coat is worth twice as much as the linen. But this is merely a *quantitative* difference, which does not yet interest us at this point.

58:1 Gehr wir nun von der Ware, soweit sie Gebrauchsgegenstand, über zum Waren-Wert.

58:2/o Nach unserer Unterstellung hat er Rock den doppelten Wert der Leinwand. Dies ist aber nur ein *quantitativer* Unterschied, der uns zunächst noch nicht interessiert.

When discussing the use-value aspect of labor, in 132:3, Marx had begun with the differences between the *use-values* of coat and linen. Now he begins with the differences between their *values*. But the difference between their values is *merely* a quantitative, instead of a qualitative, difference. Why “merely”? Because if one starts from a quantitative difference it is easy to get equality:

We recall, therefore, that if the value of the coat is double that of 10 yds. of linen, 20 yds. of linen have the *same magnitude of value* as one coat.

Wir erinnern daher, daß, wenn der Wert eines Rockes doppelt so groß ist als der von 10 Ellen Leinwand, 20 Ellen Leinwand *dieselbe Wertgröße* haben wie ein Rock.

“Doppelt so groß als” should be

“doppelt so groß wie.” Marx often

confuses “als” and “wie.”

Marx will return to the *quantitative difference* on p. 136:1; but right now we arrived, by the simple trick of doubling the amount of linen, at two commodities which can be exchanged for each other.

As values, the coat and the linen are things of a *like substance*, objective expressions of *labor of the same kind*.

Als Werte sind Rock und Leinwand Dinge von *gleicher Substanz*, objektive Ausdrücke *gleichartiger Arbeit*.

This was the result gained earlier, in 128:2. At that earlier point, Marx did not explain very well what that means. This explanation is given here. Marx begins with the remark

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that tailoring and weaving, as useful labors, cannot be the basis for value, because they are (as was stressed in 132:3 during the discussion of the use-value aspect of labor) qualitatively different:

But *tailoring* and *weaving* are two qualitatively different labors.

↓ Despite these differences, Marx brings now three examples in which different kinds of labors are treated as equal—not on the market but in production itself:

There are, however, states of society in which *one and the same man* does tailoring and weaving alternately, so that these two forms of labor are mere *modifications of the labor of the same individual* and not yet specialized and fixed functions of different persons; just as the coat which our tailor makes one day, and the trousers which he makes another day, require only a variation in the labor of one and the same individual. Moreover, we see at a glance that, in our capitalist society, *a given portion of human labor* is, in accordance with the varying demand, at one time supplied in the form of spinning, and at another in the form of weaving. This change may not always take place without friction, but take place it must.

Aber Schneiderei und Weberei sind qualitativ verschiedene Arbeiten.

Es gibt jedoch Gesellschaftszustände, worin *derselbe Mensch* abwechselnd schneidert und webt, diese beiden verschiedenen Arbeitsweisen daher nur *Modifikationen der Arbeit desselben Individuums* und noch nicht besondere feste Funktionen verschiedener Individuen sind, ganz wie der Rock, den unser Schneider heute, und die Hosen, die er morgen macht, nur Variationen derselben individuellen Arbeit voraussetzen. Der Augenschein lehrt ferner, daß in unsrer kapitalistischen Gesellschaft, je nach der wechselnden Richtung der Arbeitsnachfrage, *eine gegebene Portion menschlicher Arbeit* abwechselnd in der Form von Schneiderei oder in der Form von Weberei zugeführt wird. Dieser Formwechsel der Arbeit mag nicht ohne Friktion abgehen, aber er muß gehen.

↑ To recapitulate, these three examples are (1) there are societies in which the same person routinely weaves and tailors, i.e., there is no division of labor between these two activities; (2) even today when the division of labor is deeper, each individual still performs different labors in turn; and (3) under capitalism, workers frequently change jobs, i.e., they switch from one compartment of this social division of labor to another. (Note that this undermines the justification of the division of the working class into separate professions: if most people are able to do most kinds of labor, then this compartmentalization is not necessary.)

↓ Now Marx brings the resolution, explaining in what respect different labors are equal (and why the just-mentioned switches between different labors are possible and indeed so common).

134:3/o If we disregard the specificity of the productive activity and therefore the useful character of the labor, then nothing remains of it but that it is an *expenditure of human labor-power*. Tailoring and weaving, though qualitatively different productive activities, are both the productive expenditures of *human brains, nerves, and muscles*, and in this sense are both *human labor*.

Sieht man ab von der Bestimmtheit der produktiven Tätigkeit und daher vom nützlichen Charakter der Arbeit, so bleibt das an ihr, daß sie eine *Verausgabung menschlicher Arbeitskraft* ist. Schneiderei und Weberei, obgleich qualitativ verschiedene produktive Tätigkeiten, sind beide produktive Verausgabung von *menschlichem Hirn, Muskel, Nerv, Hand, usw.*, und in diesem Sinn beide *menschliche Arbeit*.

All these labor processes have something in common. By using the same phrase “human

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labor” for the different activities weaving, spinning, etc., our language already implies that they have something in common. Marx will discuss this again in 142:1. Footnote 17a to that later paragraph 142:1 refers explicitly to the use of the word “labor.” The mind can make abstractions in various ways, and not all of them have social significance. For instance, in his discussion of the various attempts to explain what a machine is, in 492:3/o, Marx gives examples of abstractions which are useless for an understanding of the economic function of machinery under capitalism. The abstraction “labor,” by contrast, has been singled out by Marx in *Grundrisse* 103:1–105:1 as an abstraction which, although it is valid in all epochs, obtains its “full validity” only under capitalism—because under capitalism, labor has social significance only as abstract labor.

Question 136 (Tue Sep 7, 6 pm–Thu Sep 9) Define abstract labor and explain why Marx’s theory can be summarized as: “Under capitalism, labor has social significance only as abstract labor.” 2008fa, 2007SP, 2005fa, 2004fa, 2003fa, 2002fa, 1997ut, 1997sp, 1997WI, 1996sp.

On the one side, the labor process is the application of human skills which transforms the bodily properties of the product; on the other side, it is the expenditure of human brain, muscles, nerves, etc. Abstract labor is, as the word says, an abstraction, but it is a “real” abstraction. In *Contribution*, 272:3/o, Marx calls the reduction of different labors to undifferentiated, homogeneous, simple labor a “real abstraction”:

This reduction takes the form of an abstraction, but it is an abstraction that is made every day in the social process of production. The dissolution of all commodities into labor-time is no greater an abstraction, and is no less real, than the dissolution of all organic bodies into air.

Diese Reduktion erscheint als eine Abstraktion, aber es ist eine Abstraktion, die in dem gesellschaftlichen Produktionsprozeß täglich vollzogen wird. Die Auflösung aller Waren in Arbeitszeit ist keine größere Abstraktion, aber zugleich keine minder reelle als die aller organischen Körper in Luft.

Not only can a chemist, in his mind, make the “abstraction” that all organic compounds are basically the combination of carbon and hydrogen atoms, but the process of burning, which transforms C into CO_2 and H into H_2O , implements this abstraction in reality. The fact that all organic compounds consist of C and H atoms makes it possible for them to burn, but this fact alone does not mean that they are indeed burning. (But the fact that our world is in a combustible state, far from chemical equilibrium, should remind us that the environment we live in is the creation of living organisms—the word “organic” has therefore a modern justification as well.) Just as burning is a real abstraction in nature, so the reduction of all commodities to the expenditure of human labor-power contained in them is a real abstraction made in society whenever there is commodity production. Note that Marx uses air in a different metaphor in 166:2/o.

Question 137 (Tue Sep 7, 6 pm–Thu Sep 9) Carefully explain the meaning of the statement: “The dissolution of all commodities into labor-time is no greater an abstraction, and is no less real, than the dissolution of all organic bodies into air.” 2007fa, 2005fa, 2004fa, 2003fa.

Question 138 (Tue Sep 7, 6 pm–Thu Sep 9) Why is the abstraction which leads to abstract labor a “real” abstraction? At the same time you should also explain why the abstraction of all organic bodies into air is a “real” abstraction.

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Since this is so important, I will bring here three more passages underlining that this abstraction has a basis in reality. In 164:1, Marx writes:

For in the first place, however varied the useful labors or productive activities might be, it is a *physiological* truth that they are functions of the *human* organism, and that each such function, whatever may be its nature or its form, is essentially the *expenditure of human brain, nerves, muscles, sense organs, etc.*

Denn erstens, wie verschieden die nützlichen Arbeiten oder produktiven Tätigkeiten sein mögen, es ist eine *physiologische* Wahrheit, daß sie Funktionen des *menschlichen* Organismus sind und daß jede solche Funktion, welches immer ihr Inhalt und ihre Form, wesentlich *Verausgabung* von *menschlichem* Hirn, Nerv, Muskel, Sinnesorgan usw. ist.

The following passage, as the preceding one, is taken from the commodity fetishism section, 166:1:

Equality of entirely *different kinds of labor* can be arrived at only by an *abstraction from their real inequality*, by a reduction to the characteristic they have in common, that of being the *expenditure of human labor-power*, being *human labor* in the abstract.

Die *Gleichheit toto coelo verschiedner Arbeiten* kann nur in einer *Abstraktion von ihrer wirklichen Ungleichheit* bestehen, in der Reduktion auf den gemeinsamen Charakter, den sie als *Verausgabung menschlicher Arbeitskraft*, abstrakt *menschliche Arbeit*, besitzen.

Finally another place from section 3 of chapter One, 150:2:

In tailoring, as well as in weaving, human labor-power is expended. Both, therefore, possess the general property of being human labor, and there may be cases, such as the production of value, in which they must be considered only under this aspect.

In der Form der Schneiderei wie in der Form der Weberei wird menschliche Arbeitskraft verausgabt. Beide besitzen daher die allgemeine Eigenschaft menschlicher Arbeit und mögen daher in bestimmten Fällen, z.B. bei der Wertproduktion, nur unter diesem Gesichtspunkt in Betracht kommen.

Exam Question 139 *What is abstract human labor? I want you to say what it is, not what its significance is in commodity-producing society! These are two different questions.* *2003fa, 2001fa, 1999SP, 1997WI, 1996sp, 1995ut, 1995WI.*

To sum up, labor is the expenditure of human brain, muscle, etc. in all societies. This abstraction of labor can always be made theoretically. But only in commodity production is this abstraction made not only by a theoretical onlooker but by society itself. And the difference is as drastic as the difference between a chemist analyzing the chemical composition of organic matter and organic matter burning. After this digression about real abstractions, let us turn back to the text we are presently discussing. After discussing abstract labor, Marx looks more closely at that what these abstract labors have in common. This leads to the concept of labor-power:

They are but two different forms of expenditure of human labor-power.

Es sind nur zwei verschiedene Formen, menschliche Arbeitskraft zu verausgaben.

Exam Question 141 *What is the difference between labor and labor-power?* *2008fa, 2007SP, 2005fa, 2004fa, 2002fa, 1999SP, 1998WI, 1997ut, 1997sp, 1997WI, 1996ut, 1996sp, 1995ut, 1995WI.*

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Although tailoring and weaving are usually done by different people, they could in principle be done by the same person. The concept of human labor-power (potential labor instead of actual labor) contains an abstraction from the various useful activities in which the labor-power can be realized. What the different labors have in common is that all labors are the expenditure of human labor-power.

Let us take stock where we are in the argument. We will backtrack a little, in order to show the parallel questions arising on different levels.

Looking at the sphere of exchange, Marx made the observation that through the exchange, the different use-values are treated as equals. This led to the question: what are the grounds for this equal treatment? Is it a social fiction valid only on the surface of the economy, or are the commodities really somehow equal?

Since the commodities as *use-values* have nothing in common, Marx concludes that their equality must come from the labor producing them. But there is a problem. Although labor is something all commodities have in common, the labors producing different commodities are clearly not equal either. The dilemma is still there, it is merely shifted from the surface to the sphere of production. But here, on the level of the labors, this dilemma can indeed be solved—because the labor processes producing these various use-values *really have something in common*, whereas the commodities as use-values do not. All labor, whatever its concrete form, is also “abstract labor”—not because we can think about it in the abstract, but because all labor is the expenditure of human labor-power, i.e., human nerves, brains, muscles etc. Abstract labor in this definition is a real aspect of every labor process.

Finally, if one takes a closer look at labor-power, the same dilemma pops up for a third time. After encountering it on the level of use-values and on the level of labor, we encounter it now on the level of labor-power. The dilemma is: although we arrived at labor-power in our search for something that is equal in commodities and therefore for the basis for the equalization of all commodities through the exchange, and although it is true that the labor-powers of different individuals are largely similar, they are still not entirely equal.

It is true, human labor-power itself must be more or less developed before it can be expended in different forms. But the value of a commodity represents human labor plain and simple, the expenditure of *human labor* in general.

Allerdings muß die menschliche Arbeitskraft selbst mehr oder minder entwickelt sein, um in dieser oder jener Form verausgabt zu werden. Der Wert der Ware aber stellt menschliche Arbeit schlechthin dar, Verausgabung *menschlicher Arbeit* überhaupt.

Fowkes translates “*allerdings*” with “of course.” This gives a wrong connotation. After “of course,” one expects an objection

whose refutation was already implied in what was said before. But Marx is about to bring some new arguments which have not

been anticipated above.
Moore-Aveling write “it is true,” which is the better translation.

The clause “it is true” (*allerdings*) is Marx’s admission that we still haven’t arrived at something entirely homogeneous. Although most people in society could perform, or could be trained to perform, most jobs in society, not everybody could do every job. There are still differences in labor-power. This is what Marx is going to discuss next.

Marx’s formulation “this human labor-power itself must be more or less developed before it can be expended in different forms” is a little misleading: it might create the impression that all differences between different labor-powers are of a purely quantitative nature (“*more or less*”). Quantitative differences between labor-powers are consistent with market relations, because quantitative differences imply qualitative equality.

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But the qualitative differences between different labor-powers can arise in different ways:

1. Labor-power may differ by its development (schooling, training, experience). This can be naturally reduced to a quantitative difference, since one can say the value of the product not only comes from the time the laborer is working productively, but also from the training time. If a surgeon spends 15 years learning to perform a certain operation, and then performs this operation for another 15 years, then every hour he is working in the latter 15 years would be creating *twice* as much value as an unskilled laborer. If one includes the labor performed by his teachers and the labor necessary to produce the materials and equipment used during this training, one obtains an even higher ratio. (Nevertheless, the higher earnings of a surgeon in the U.S. more than make up for this, but we are talking here about value created, not income earned.)
2. However there are some differences between labor-powers which cannot be reduced to quantitative differences. There are things certain individuals can do and others cannot do, even with the best training.

Marx only mentions differences in development at this point, because most differences between labor-powers are only differences in development, and because this gives him a good transition to simple unskilled labor which Marx will discuss next. But from other scattered remarks it can be inferred that Marx was aware that some such differences do not have to do with development. Especially interesting is the footnote 18 to p. 304:3/o, almost at the end of chapter Seven, where Marx makes the following points:

- The differences in labor-powers are smaller than is generally believed, and these differences may have accidental causes.
- With the development of capitalist production these differences tend to be reduced further by progressively de-skilling many labor processes.
- Whatever differences remain, they are reflected in *quantitative* differences as to how much value one hour of labor creates—although the differences between different labor-powers are by no means always of a quantitative nature.

Here is therefore a complete solution of the third dilemma, that by exchanging the products of labor, society acts as if all labor-powers were equal, but in reality they are not: Most differences between labor-powers are differences in training, and these differences can be naturally reduced to quantitative differences. Some qualitative differences between labor-powers remain which have nothing to do with training. There is no general law governing the reduction of these remaining differences to quantitative differences. The terms of their quantitative reduction are decided case by case; it may depend on the constellation of demand and supply, or on the relative strength of the contending interests at the given time.

Question 143 (*Tue Sep 7, 6 pm–Thu Sep 9*) *The exchange of commodities poses a dilemma: what are the grounds for treating tangibly different commodities as equals? This dilemma is then also echoed on the level of the labors producing these commodities, and on the level of labor-powers. On each of these three levels the dilemma has a different resolution. Describe these three different resolutions.* [2009fa](#), [2007fa](#), [2007SP](#), [2004fa](#), [2001fa](#).

In the passage we are presently discussing, Marx's emphasis is not on the modalities of this reduction, but on the character of that kind of labor-power which serves as the measuring stick, that to which all other labor-powers are reduced. He argues that it is the simple

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“unskilled” labor everyone in the given society is able to perform, and before even saying this he comments that this amounts to a shoddy treatment of the human factor in capitalist society:

And just as in bourgeois society a general or a banker plays a great role, while mere *man*, on the other hand, has a very shabby part,¹⁴ so here with *human labor*. It is the expenditure of *simple* labor-power, i.e., of labor-power which, on the average, apart from any particular development, exists in the organism of every ordinary individual.

Wie nun in der bürgerlichen Gesellschaft ein General oder Bankier eine große, der Mensch schlechthin aber eine sehr schäbige Rolle spielt,¹⁴ so steht es auch hier mit der menschlichen Arbeit. Sie ist Verausgabung einfacher Arbeitskraft, die im Durchschnitt jeder gewöhnliche Mensch, ohne besondere Entwicklung, in seinem leiblichen Organismus besitzt.

“Bourgeois society” is a term occasionally used by Marx for capitalist society. In capitalist society, humans are defined by the social functions they assume, whereas usually little attention is paid to the human individual supporting these functions. In the same way, a society in which *congealed* labor, value and capital, is in highest esteem, assigns to *living* labor a very shabby part. It is a sociological paradox that unskilled labor, which creates all value, is generally sneered at in capitalist society.

The first edition, p. 24:2/o, gives here the example that the labor of a farm hand may produce twice as much value per day than that of a tailor. Next Marx remarks that there are national differences regarding the character of simple and unskilled labor. Although this is important for an understanding of international trade, it will be disregarded here:

Simple average labor, it is true, varies its character in different countries and different cultural epochs, but is given once the society is given.

Die einfache Durchschnittsarbeit selbst wechselt zwar in verschiedenen Ländern und Kulturepochen ihren Charakter, ist aber in einer vorhandenen Gesellschaft gegeben.

Next Marx discusses how the labor which is *not* simple labor is expressed in value: More complicated labor counts merely as *potentiated* or rather *multiplied* simple labor, so that a smaller amount of complicated labor is equal to a bigger amount of simple labor.

Kompliziertere Arbeit gilt nur als *potenzierte* oder vielmehr *multiplizierte* einfache Arbeit, so daß ein kleineres Quantum komplizierter Arbeit gleich einem größeren Quantum einfacher Arbeit.

“Potentiated” means here: labor of higher potency. The word “multiplied,” which Marx prefers to the word “potentiated,” better expresses that the difference is quantitative, not qualitative. Marx does not say here: “more complicated labor *is* multiplied simple labor,” but he uses the formulation “*counts as* multiplied simple labor.” There is a qualitative difference between simple and complicated labor; one cannot get the latter by multiplying the former. Even if you assemble 1,000 construction workers, and give them all the time they need, they still won’t be able to do the work of a doctor or a scientist or a virtuoso musician. But commodity producing society acts as if complicated labor were a mere multiple of simple labor. This is what Marx means with the word “counts.” The word “merely” in “counts *merely as*” stresses that a qualitative difference, that between simple and complicated labor, is reduced to a *merely* quantitative one (this phrase is used in 134:2).

That this reduction is constantly being made is shown by experience.

Daß diese Reduktion beständig vorgeht, zeigt die Erfahrung.

Question 145 (Tue Sep 7, 6 pm–Thu Sep 9) Which experience is Marx referring to when he says in 134:3/o: “That this reduction is constantly being made is shown by experience.”?

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What experience? The experience that markets, which pretend that all labor-powers are equal or at most quantitatively different, flourish despite the fact that there are qualitative differences among labor-powers. Marx's appeal to experience here is on the one hand an admission that there is no general law governing this reduction, and on the other hand he can only appeal to experience because markets survived despite this indeterminacy. Even if the different kinds of labor-power may not have been allocated rationally, the markets have done a good enough job to regulate the economy.

A commodity may be the product of the most complicated labor, but its *value* equates it to the product of simple labor, therefore this value only represents a certain amount of simple labor.¹⁵

↓ In a footnote, Marx reminds us that at the present time we are not yet talking about the income received by the workers, but about the value they produce:

¹⁵ The reader must be aware that we are not speaking here of the *wages* or values that the laborer receives for a given labor-time, but of the *value* of the commodity in which that labor-time is materialised. Wages is a category that does not even exist yet at this stage of our presentation.

Eine Ware mag das Produkt der kompliziertesten Arbeit sein, ihr *Wert* setzt sie dem Produkt einfacher Arbeit gleich und stellt daher selbst nur ein bestimmtes Quantum einfacher Arbeit dar.¹⁵

¹⁵ Der Leser muß aufmerken, daß hier nicht vom *Lohn* oder Wert die Rede ist, den der Arbeiter für etwa einen Arbeitstag erhält, sondern vom *Warenwert*, worin sich sein Arbeitstag vergegenständlicht. Die Kategorie des Arbeitslohns existiert überhaupt noch nicht auf dieser Stufe der Darstellung.

↑ This footnote explicitly refers to Marx's method of taking up one thing after another; certain things do not yet "exist." [Rei70, p. 131]

Question 146 (Tue Sep 7, 6 pm–Thu Sep 9) In a footnote to 134:3/o, Marx says that the category of wages does not yet exist at the present stage of the representation. Find other places in Capital where he says that certain categories do not yet "exist" for him.

The different proportions, in which different sorts of labor are reduced to simple labor as their *standard*, are established by a social process that goes on behind the backs of the producers and, consequently, seems to be fixed by custom. For simplicity's sake we shall henceforth consider every kind of labor-power to be immediately *simple* labor-power; by this we do no more than save ourselves the trouble of making the reduction.

Die verschiedenen Proportionen, worin verschiedene Arbeitsarten auf einfache Arbeit auf ihre *Maßeinheit* reduziert sind, werden durch einen gesellschaftlichen Prozeß hinter dem Rücken der Produzenten festgesetzt und scheinen ihnen daher durch das Herrkommen gegeben. Der Vereinfachung halber gilt uns im Folgenden jede Art Arbeitskraft unmittelbar für *einfache* Arbeitskraft, wodurch nur die Mühe der Reduktion erspart wird.

It has sometimes been argued that the reduction of complicated to simple labor is a circular argument invalidating the labor theory of value. I see it as an instance in which the "dirty" reality is not entirely congruous with the forms of social interaction that have developed in a capitalist economy. Although commodity exchange presumes that all labor-powers are equal, there are in fact differences, which are however usually small. To repeat, this has two consequences. Under developed commodity exchange (capitalism) there is the tendency to equalize and de-skill the labors. This well-known fact itself corroborates the thesis that abstract labor constitutes the substance of value. The remaining differences are treated as quantitative differences only. This reduction of qualitative to quantitative differ-

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ences in labor-power does not follow a general law but depends on constellational, irregular (“accidental”) circumstances, such as discrepancies between demand and supply, or custom.

Question 147 (Tue Sep 7, 6 pm–Thu Sep 9) *Is Marx's appeal to experience regarding the reduction of complicated to simple labor a circular argument?* [2007fa](#), [2007SP](#), [1997ut](#).

The next paragraph gives a summary, parallel to 132:5/o. This summary compares the things said about value and abstract labor to the things said about use-value and concrete labor. This comparison backs up the claim made in 131:2/o that the characteristics of labor creating use-value are different than those of labor creating value. Here is the first of three comparisons:

135:1/o In the *values* coat and linen, abstraction is made from the difference of their *use-values*; now we have seen that also in the *labor* that represents itself in these *values*, abstraction is made from the difference of its *useful forms tailoring and weaving*.

59:1/o Wie also in den *Werten* Rock und Leinwand von dem Unterschied ihrer *Gebrauchswerte* abstrahiert ist, so in den *Arbeiten*, die sich in diesen *Werten* darstellen, von dem Unterschied ihrer *nützlichen Formen*, der *Schneiderei* und *Weberei*.

Moore-Aveling again transpose it into the epistemological realm when they write: “Just as,

therefore, in viewing the coat and linen as values, we abstract from their different use-values.” Fowkes

makes the same error.

Second comparison:

The *use-values* coat and linen are the *combinations* of purposeful productive activities with cloth or yarn. The *values* coat and linen are, in contrast, mere *homogenous congealations of labor*. Now we have seen that also the labor contained in these *values* does not count by virtue of its productive functions towards cloth and yarn, but only as *expenditures of human labor-power*.

Wie die *Gebrauchswerte* Rock und Leinwand *Verbindungen zweckbestimmter, produktiver Tätigkeiten mit Tuch und Garn* sind, die *Werte* Rock und Leinwand dagegen bloße *gleichartige Arbeitsgallerien*, so gelten auch die in diesen *Werten* enthaltenen Arbeiten nicht durch ihr produktives Verhalten zu Tuch und Garn, sondern nur als *Verausgabungen menschlicher Arbeitskraft*.

Third comparison:

Tailoring and weaving are necessary elements in the creation of the *use-values* coat and linen, precisely by their *different* qualities, but they are the *substance* of the *values* of coat and linen only in so far as *abstraction* is made from their particular qualities and both possess the *same quality*, the *quality of human labor*.

Bildungselemente der *Gebrauchswerte* Rock und Leinwand sind Schneiderei und Weberei eben durch ihre *verschiedenen Qualitäten*; *Substanz* des Rockwerts und Leinwandwerts sind sie nur, soweit von ihrer besondren Qualität *abstrahiert* wird und beide *gleiche Qualität* besitzen, die *Qualität menschlicher Arbeit*.

Question 148 (Tue Sep 7, 6 pm–Thu Sep 9) *Just as a horse has muscles and bones in it, a commodity has useful labor and abstract labor in it. Explain. Is this also true for a product which is not a commodity?* [2009fa](#), [2007fa](#).

1.2.c. [Labor Producing Value: Quantity]

Now the quantitative aspects of abstract human labor will be discussed. Some of this discussion repeats 130:1/o, but important additions are made.

136:1 Coats and linen, however, are not merely values in general, but values of given magnitudes and, following our assumption, the coat is worth twice as much as the 10 yards of linen. Where does this difference in value come from? From the fact that the linen contains only half as much labor as the coat, i.e., labor-power has to be expended twice as long to produce the second as to produce the first.

↑ The formulation “the coat *contains* twice as much labor as the linen” is a metaphor. The second half of the last sentence above explains how this metaphor is to be read: labor-power has to be expended twice as long to produce the coat than the linen. Not “is” expended but “has to be” expended because the *necessary* labor is twice as long. Marx will be much more explicit about this point later, in 676:2/o.

136:2 While, therefore, with reference to use-value, the labor contained in a commodity counts only qualitatively, with reference to value it counts only quantitatively, after being reduced to human labor pure and simple. In the former case it was a matter of the ‘how’ and the ‘what’ of labor, in the latter of the ‘how much’, of the temporal duration of labor.

Question 149 (Tue Sep 7, 6 pm–Thu Sep 9) Marx says in 136:2: “*With reference to use-value, the labor contained in a commodity counts only qualitatively.*” This seems to be in contradiction to things he says elsewhere. More labor produces more product, and the quantity of a product is relevant for its use-value. In 126:1 Marx says: “When examining use-values, we always assume to be dealing with well-defined quantities, such as dozens of watches, yards of linen, or tons of iron.” Is this an inconsistency in Marx’s theory?

↓ This has important implications:
Since the magnitude of the value of a commodity represents nothing but the quantity of labor embodied in it, it follows that all commodities, when taken in the right proportions, must be equal in value.

↑ The equalization of all commodities on the surface through the exchange-relations has therefore a counterpart in production. In the production process, all commodities are equalized because they all represent abstract human labor.

↓ From here until the end of the section, Marx discusses changes in productivity:
136:3 If the productivity of all the different sorts of useful labor required, let us

60:1 Rock und Leinwand sind aber nicht nur Werte überhaupt, sondern Werte von bestimmter Größe, und nach unsrer Unterstellung ist der Rock doppelt soviel wert als 10 Ellen Leinwand. Woher diese Verschiedenheit ihrer Wertgrößen? Daher, daß die Leinwand nur halb soviel Arbeit enthält als der Rock, so daß zur Produktion des letzteren die Arbeitskraft während doppelt soviel Zeit verausgabt werden muß als zur Produktion der ersten.

60:2 Wenn also mit Bezug auf den Gebrauchswert die in der Ware enthaltene Arbeit nur qualitativ gilt, gilt sie mit Bezug auf die Wertgröße nur quantitativ, nachdem sie bereits auf menschliche Arbeit ohne weitere Qualität reduziert ist. Dort handelt es sich um das Wie und Was der Arbeit, hier um ihr Wieviel, ihre Zeittdauer.

Da die Wertgröße einer Ware nur das Quantum der in ihr enthaltenen Arbeit darstellt, müssen Waren in gewisser Proportion stets gleich große Werte sein.

60:3 Bleibt die Produktivkraft, sage alter zur Produktion eines Rocks erheischen

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say, for the production of a coat remains unchanged, the total value of the coats produced will increase along with their quantity. If one coat represents x days' labor, two coats will represent $2x$ days' labor, and so on. But now assume that the duration of the labor necessary for the production of a coat is doubled or halved. In the first case, one coat is worth as much as two coats were before; in the second case two coats are only worth as much as one was before, although in both cases one coat performs the same service, and the useful labor contained in it remains of the same quality. One change has taken place, however: a change in the quantity of labor expended to produce the article.

Rising wealth can therefore be accompanied by decreasing value.

136:4/o In itself, an increase in the quantity of use-values constitutes an increase in material wealth. Two coats will clothe two men, one coat will only clothe one man, etc. Nevertheless, an increase in the amount of material wealth may correspond to a simultaneous fall in the magnitude of its value.

↓ Next Marx asks where does this discrepancy in the movement come from? (Marx does not talk here about two movements, one of the use-values and one of the values, but he considers it one movement which is self-opposed.) In order to find the origin of this opposition, note that “how productive is a given labor?” is the same kind of question as: “which use-value does a given labor produce?” It refers to the concrete useful labor, not the abstract labor.

This self-opposed movement arises out of the two-edged character of labor. Productivity, of course, is always the productivity of concrete, useful labor; it determines how effective a purposeful productive activity can be in a given period of time. Useful labor becomes, therefore, a more or less abundant source of products in direct proportion as its productivity rises or falls. As against this, however, variations in productivity in themselves have zero impact on the labor represented in value. As productivity is an attribute of labor in its concrete useful form, it naturally ceases to have any bearing on that labor as soon as we abstract from its concrete useful form. The same labor, therefore, performed for the same length of time,

nützlichen Arbeiten unverändert, so steigt die Wertgröße der Röcke mit ihrer eignen Quantität. Wenn 1 Rock x , stellen 2 Röcke $2x$ Arbeitstage dar usw. Nimm aber an, die zur Produktion eines Rocks notwendige Arbeit steige auf das Doppelte oder falle um die Hälfte. Im ersten Fall hat ein Rock soviel Wert als vorher zwei Röcke, im letztern Fall haben zwei Röcke nur soviel Wert als vorher einer, obgleich in beiden Fällen ein Rock nach wie vor dieselben Dienste leistet und die in ihm enthaltene nützliche Arbeit nach wie vor von derselben Güte bleibt. Aber das in seiner Produktion verausgabte Arbeitsquantum hat sich verändert.

60:4/o Ein größeres Quantum Gebrauchs-wert bildet an und für sich größeren stofflichen Reichtum, zwei Röcke mehr als einer. Mit zwei Röcken kann man zwei Menschen kleiden, mit einem Rock nur einen Menschen usw. Dennoch kann der steigenden Masse des stofflichen Reichtums ein gleichzeitiger Fall seiner Wertgröße entsprechen.

Diese gegensätzliche Bewegung entspringt aus dem zwieschlächtigen Charakter der Arbeit. Produktivkraft ist natürlich stets Produktivkraft nützlicher, konkreter Arbeit und bestimmt in der Tat nur den Wirkungsgrad zweckmäßiger produktiver Tätigkeit in gegebenem Zeitraum. Die nützliche Arbeit wird daher reichere oder dürfstigere Produktionsquelle im direkten Verhältnis zum Steigen oder Fallen ihrer Produktivkraft. Dagegen trifft ein Wechsel der Produktivkraft die im Wert dargestellte Arbeit an und für sich gar nicht. Da die Produktivkraft der konkreten nützlichen Form der Arbeit angehört, kann sie natürlich die Arbeit nicht mehr berühren, sobald von ihrer konkreten nützlichen Form abstrahiert wird. Dieselbe

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always yields the same amount of value, independently of any variations in its productivity. But it provides different quantities of use-values during equal periods of time; more, if productivity rises; fewer, if it falls. For this reason, the same change in productivity which increases the fruitfulness of labor, and therefore the amount of use-values produced by it, also brings about a reduction in the value of this increased total amount, if it cuts down the total amount of labor-time necessary to produce the use-values. The converse also holds.

Since labor has a double character, it has two effects, that can be contradictory. The first German edition 26:3/o has here an additional paragraph emphasizing this contradiction:

It follows from what has been said so far that, although it is not true that the commodity contains two different kinds of labor, nevertheless the *same* labor has different and even opposite determinations, according to whether it is seen in relation to the *use-value* of the commodity as its *product* or to the *commodity-value* as labor's own *material expression*. Just as the commodity must above all be a useful object in order to be value, so labor must above all be useful labor, purposeful productive activity, in order to count as *expenditure of human labor-power* and therefore as *human labor* pure and simple.

↑ The French edition [mecw] has a similar paragraph with the memorable formulation that “the same labor is here opposed to itself” (*le même travail y est opposé à lui-même*).

Question 150 (Tue Sep 7, 6 pm–Thu Sep 9) Since productivity is a quality of useful labor, one might not expect it to play a great role in capitalism. But it does. Why? 2007SP.

Question 151 (Tue Sep 7, 6 pm–Thu Sep 9) Discuss the implications of the fact that an increase in material wealth in the form of commodities may be accompanied by a decrease in the total amount of their value. Do you know examples from modern capitalism where this perverse relationship has detrimental effects? 2004fa, 2002fa, 2000fa, 1997WI, 1996ut, 1996sp, 1995WI.

Question 152 (Tue Sep 7, 6 pm–Thu Sep 9) It is easy to see that with higher productivity a greater amount of use-values may represent a lower commodity-value (which depends on labor-content). But Marx's Capital 136:4/o says more than that. Marx claims that this discrepancy and even opposition comes from the two-edged character of labor. How does he argue this claim, or how might one argue for or against such a proposition? 2009fa.

Arbeit ergibt daher in denselben Zeiträumen stets dieselbe Wertgröße, wie immer die Produktivkraft wechsle. Aber sie liefert in demselben Zeitraum verschiedene Quanta Gebrauchswerte, mehr, wenn die Produktivkraft steigt, weniger, wenn sie sinkt. Der selbe Wechsel der Produktivkraft, der die Fruchtbarkeit der Arbeit und daher die Masse der von ihr gelieferten Gebrauchswerte vermehrt, vermindert also die Wertgröße dieser vermehrten Gesamtmasse, wenn er die Summe der zu ihrer Produktion notwendigen Arbeitszeit abkürzt. Ebenso umgekehrt.

Aus dem Bisherigen folgt, daß in der Ware zwar nicht zwei verschiedene Sorten Arbeit stecken, wohl aber *dieselbe* Arbeit verschieden und selbst entgegengesetzt bestimmt ist, je nachdem sie auf den *Gebrauchswert* der Ware als ihr *Product* oder auf den *Warenwert* als ihren bloß *gegenständlichen* Ausdruck bezogen wird. Wie die Ware vor allem Gebrauchsgegenstand sein muß, um Wert zu sein, so muß die Arbeit vor allem nützliche Arbeit, zweckbestimmte produktive Tätigkeit sein, um als *Verausgabung menschlicher Arbeitskraft* und daher als *menschliche Arbeit* schlechthin zu zählen.

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137:1 On the one hand, all labor is an expenditure, in the physiological sense, of human labor-power, and in this quality of being equal human labor or abstract human labor, it forms the value of commodities. On the other hand, all labor is an expenditure of human labor-power in a particular form and with a specific aim, and in this quality of being concrete useful labor, it produces use-values.¹⁶

61:1 Alle Arbeit ist einerseits Verausgabung menschlicher Arbeitskraft im physiologischen Sinn, und in dieser Eigenschaft gleicher menschlicher oder abstrakt menschlicher Arbeit bildet sie den Warenwert. Alle Arbeit ist anderseits Verausgabung menschlicher Arbeitskraft in besonderer zweckbestimmter Form, und in dieser Eigenschaft konkreter nützlicher Arbeit produziert sie Gebrauchswerte.¹⁶

Three of these four statements are valid in all modes of production, while one statement, “and in this quality of being equal human labor or abstract human labor, it forms the value of commodities” is only valid in commodity producing societies.

Footnote 16 gives some criticisms of Adam Smith which also apply to neoclassical economics. Please look up the footnote in the book if you want to answer the following questions:

Exam Question 153 *How does Marx's labor theory of value differ from an explanation of value by what today would be called the “disutility of labor,” i.e., the “sacrifice of ease, liberty, and happiness”? [2008fa](#), [2004fa](#), [2002fa](#), [1999SP](#), [1997ut](#), [1997WI](#), [1996ut](#).*

Question 154 *(Tue Sep 7, 6 pm–Thu Sep 9) How was Smith influenced by the evidence of the modern wage laborer when he formulated his thesis that the value of a product is determined by the laborer's “sacrifice of ease, liberty, and happiness”? (Attempt this Question only if you know the answer to Question 153, and know something about Marx's theory of wage labor.)*

1.3. The Form of Value, or the Exchange-Value

Marx is in the midst of his discussion of value, which follows a simple scheme. After having discussed its substance (abstract labor) and magnitude (socially necessary labor-time), Marx discusses now its *form* (exchange-value), in a section bearing the title: “The Form of Value, or the Exchange-Value.”

Question 155 *(Fri Sep 10–Mon Sep 13) If the first chapter is such a systematic discussion of value, why is it then called “Commodities” and not “Value”? [2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#), [2007SP](#), [2001fa](#), [2000fa](#), [1999SP](#), [1998WI](#), [1997ut](#).*

[From Form of Commodity to Form of Value]

[Marx's Definition of Form of Value]

In capitalism, production is private, i.e., there is no direct coordination among producers or between producers and consumers. The main channel through which the many private production processes are in communication is the value generated in these production processes. Value is a homogeneous “quasi-material” inside the commodities which, although

invisible, sends socially highly effective signals to producers and consumers. In the present section 1.3 Marx is investigating these signals or, in his terminology, he is investigating the *form* in which the value created in the private production processes manifests itself to the economic agents.

While value itself is a social relation of *production*, a *form* of value is a social relation governing the interactions on the *surface* of the economy. Since these surface relations are commodity relations, they are attached to commodities, i.e., they are socially generated properties of commodities. Such a social property is a *form* of value if it enables the commodity to which it is attached as Marx paraphrases in the First edition 631:1, “*to appear to other commodities as value, to count as value, and to act on it as value.*” This summary is very general. In his detailed argumentation Marx is more specific. Capitalism is an ongoing social system which reproduces itself because the forms of value attached to the commodities enable the economic agents to take two kinds of actions: (1) they give the producers the information necessary so that they can produce their products as values, and (2) they allow the agents to take advantage of the values of the commodities in their possession. Marx never formulates these two criteria explicitly, but most of the time he talks about “forms of value” he one of these two criteria.

[Summary of Marx's Argument]

The result of the current section 1.3 will be that two complementary forms of value together generate and transmit the information needed by the private producers to produce their products as commodities. One specific commodity (gold, but in principle it can be any commodity) is designated by society as *money*, i.e., it is accepted in exchange for all other commodities. All other commodities entering circulation have *prices*, i.e., their owners publicly announce how much money is necessary to buy them. Being money and having a price are both forms of value, both are socially generated properties of commodities in circulation. A system of prices denominated in the same monetary unit enables the producers to select those production methods which only require socially necessary amounts of labor, and to allocate their labor to those areas of production which are in high demand on the market. This is Marx's basic explanation of money. For the genesis of money, therefore, the informational criterion (1) for the form of value plays the dominant role.

Chapter Two will then show that these monetary relations also help the market participants resolve the practical difficulties of the trade of their commodities, i.e., that monetary relations also satisfy criterion (2) for the form of value. This is an important supplementary result; without it, the market agents would not be motivated to establish monetary relations between their commodities.

In chapter Three, the two above criteria for the form of value reappear as “functions of money”; criterion (1) in the first section, dealing with the function of money as measure of value, and criterion (2) in the second section, the function of money as means of circulation. The third section shows that the necessities of mediating commodity production and circulation have turned money into a too powerful tool, which can do much more than merely being a compass for production and aid in circulation.

[The Commodity Needs a Double Form]

After this overview let us now begin with the discussion of section 1.3. Marx does not begin the section with the form of *value* but with a brief discussion of the form of the *commodity*.

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The first paragraph 138:1 has the same point of departure as 125:2 (the very first paragraph of chapter One)—namely, the commodity. But there is a difference. Marx's earlier point of departure had been the “form of appearance” of the commodity (use-value and exchange-value), since he was investigating the practical activity of the market participants in order to make inferences about the underlying commodity relations. By contrast, here in section 1.3 Marx looks at the *production* of the commodity, and he uses the results of his earlier analysis of the commodity to interpret what he sees:

138:1 Commodities come into the world in the form of use-values or articles, as iron, linen, corn etc.	62:1 Waren kommen zur Welt in der Form von Gebrauchswerten oder Warenkörpern, als Eisen, Leinwand, Weizen usw.
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The translation “article” is based on the following passage in the First Edition, p. 18:2: “For the

sake of brevity, we will call the useful thing itself or the *body of the commodity*, such as iron,

wheat, diamond, etc., a *use-value, good, article.*”

The German word that is translated here as “article” is, in a more literal translation, “body of the commodity,” a phrase which resonates with the birth metaphor “commodities come into the world.” The comparison of the production of a commodity with the birth of a baby is fitting. Humans can survive only in *society*, and the birth of a baby is the culmination of a complex social process. But the baby itself does not yet have the skills, such as language etc., which would enable it to sustain itself and meet its needs in the social context; it still has to grow up. Similarly one can say that the use-value, as it emerges from the private production process, still has to grow up: it does not know how to find its way to the consumer, nor how it can nourish those who produced it, or pass on its own experience to other use-values coming after it. This section explores the establishment of these connections.

Question 159 (*Fri Sep 10–Mon Sep 13*) *The first section and the third section of chapter One of Capital both begin with the individual commodity. Nevertheless the treatment is quite different. Explain how the treatment differs, and why.*

This is their home-grown bodily form. | Es ist dies ihre hausbackene Naturalform.

↑ The “body” of the commodity, i.e., the commodity as a physical object, is called here its “bodily form” (my emphasis). In the first edition, 626:1, Marx calls it its *use-value form*. Here Marx uses the above criterion (2) for a form, because physical possession of the body of the commodity allows humans to benefit from its use-value. The terminology that the physical object is called a “form” may seem less odd if you keep in mind that individuals do not need the objects themselves but their use-values. But they cannot acquire the use-value without the object because usually one must have this physical object in one’s possession in order to benefit from its useful properties. Possession of the object is therefore the interface through which the consumers of the commodity can access the use-value of the commodity. Marx mentioned this already in 126:1, without using the word “form.”

Although our definition of form of value included that it is a social relation, physical possession of an object is *not* a social relation. (Ownership rights *are* social relations, but one does not have to own the commodity in order to take advantage of its use-value. It is equally possible with a stolen commodity. Marx alludes to this in 178:1/o). Since this form is not a social relation Marx calls it a “home-grown” form. Whereas production is always and everywhere a social process (Marx says that solitary production is as impossible as solitary language), consumption is not. As a rule, individuals do not need social relations to use their commodities. Criterion (1) is fulfilled automatically for the use-value form because

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people know how to consume things in their possession. In *Contribution*, 283:1/o, Marx says that as means of consumption, the commodities “do not acquire a new economic form determination.”

Question 164 (Fri Sep 10–Mon Sep 13) In *Contribution*, 270:1, Marx writes: “Although use-values serve social needs and therefore exist within a social context, they are not an expression of a social relation of production.” Is this correct? For many products, consumers need product information, instructions how to use it, assistance in setting up the product, warranty services if the product is defective, and maintenance. Are these not relations of production?

↓ I just emphasized that production in every society is a *social* process. Even the “private” production of *commodities* is from the beginning social—because for the producers, the commodities are not use-values (the producers themselves don’t need the particular commodities they are producing) but values:

But they are more than use-values. They are commodities, i.e., useful objects <i>and</i> carriers of value.	Sie sind jedoch nur Waren, weil <i>Doppeltes</i> , Gebrauchsgegenstände und zugleich Wertträger.
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Moore-Aveling tried to capture the overly complicated German “*nur ... weil*” construction as follows: “They are, however, commodities, only because they are something twofold, both objects of utility, and, at the same time, depositories

of value.” Unfortunately, the “only” ended up on the wrong place. A paraphrase of this translation which has the “only” at the right place would be: “However they only are commodities because they are

something twofold.” This is not only a matter of definition but can be viewed in a very practical way: they are only produced because of this other quality which they have in addition to being use-values.

↑ It is instructive to compare the above sentence with its earlier version in the first edition, 31:2/o:

The commodity is, since the moment it is made, something *twofold*, use-value *and* value, the product of useful labor *and* the congelation of abstract labor.

Die Ware ist von Haus aus ein <i>zwieschlächtig</i> Ding, Gebrauchswert <i>und</i> Wert, Produkt nützlicher Arbeit <i>und</i> abstrakte Arbeitsgalterte.

↑ The commodity is *use-value* since the moment it is made, because its production process has exactly the purpose to give it its use-value. It is *value* since the moment it is made, because its producer produces it only for the sake of its value, i.e., he puts his labor into the commodity in order to retrieve from the market someone else’s equal abstract labor in a use-value that suits his needs. This resonates with things Marx explained earlier: value is an invisible but real social substance which the commodities acquire already in the production process. It also resonates with the definition “a commodity is something produced for the exchange” used in section 1.1 (even though Marx never formulated this definition explicitly).

Question 166 (Fri Sep 10–Mon Sep 13) If a commodity is only produced because of its value, why did Marx not say that commodities come to the world in the form of values? 2009fa, 2008fa, 2005fa, 2004fa.

↓ Since a commodity is both use-value and value, and since its natural body is only a form for its use-value, Marx concludes that it also needs a *value form*:

In order to appear as commodities, i.e., have the form of commodities, they need there-	Sie erscheinen daher nur als Waren oder besitzen nur die Form von Waren, sofern
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1. The Commodity

fore a *double form*, a bodily form and a value form. | sie *Doppelform* besitzen, *Naturalform und Wertform*.

↑ In the first edition, the corresponding sentence 31:2/o comes much later: After showing that the commodity has two forms, Marx says this may seem strange but on further reflection it is necessary because the commodity has a double character and therefore needs two forms. But the argument that the commodity has a double character and therefore needs two forms can be made even before we know these two forms, and indeed the discussions of the form of value in the appendix of the first edition, and in the second and later editions, shifted the need of the commodity for a double form to the very beginning.

Question 169 (*Fri Sep 10–Mon Sep 13*) *Why can commodities not express their values in their own use-values? (Note that we are not asking here why the value of a commodity is not determined by its use-value. The expression of value is not the same as the determination of value.)* 2008SP, 2007fa, 2005fa, 2003fa, 2002fa, 1997ut, 1997sp, 1997WI, 1996sp, 1995ut, 1995WI.

↓ This is the second time that Marx uses the concept of “form.” After the *use-value* form (or “bodily” form) of the commodity, he discusses now its *value* form. Both times, criterion (2) are in the foreground: just as the “use-value form” of the commodity must enable the commodity owners to take advantage of the use-values of their commodities, the “value form” must enable them to take advantage of the values of their commodities. The following quote from Theories of Surplus-Value III, [mecw32]331:4/o, makes it explicit that the need for a double form is driven by criterion (2) for the form of value.

Because the product is not produced as an immediate object of consumption for the producers, but only as a *carrier of value*, as a claim, so to speak, on a certain quantity of all manifestations of social labor, all products are compelled to give themselves as *values* a form of existence distinct from their existence as use values.

Weil das Produkt nicht als unmittelbarer Gegenstand der Konsumtion für die Produzenten produziert wird, sondern nur als *Träger des Werts*, sozusagen als Anweisung auf bestimmtes Quantum aller Darstellungen der gesellschaftlichen Arbeit, sind alle Produkte gezwungen, als *Werte* sich eine von ihrem Dasein als Gebrauchswerte unterschiedne Daseinsform zu geben.

↑ The form of value is necessary so that the producer can get credit for and benefit from having produced the product. Now one might argue against this that the commodity does not need a value form separate from its use-value form—all the producer has to do in order to take advantage of the value in the commodity is to barter it away for something he or she can use. Marx discusses this possibility in chapter Two, p. 182:1. It works in simple circumstances, but not in a developed commodity economy in which many different products enter the market as commodities. The higher developed forms of value up until the money form, which will be derived below, become less and less dispensable as the extent and complexity of commodity production evolves.

The need of the commodity to have a double form provides the transition from the form of the commodity to the form of value, and from now on Marx only speaks about the form of value. But from this introductory passage about the commodity form we know that a form of value is a social surface relation attached to a commodity.

Question 171 (*Fri Sep 10–Mon Sep 13*) *The title of Section 3 is “Form of value.” Why does Marx then start his discussion with the form of the commodity?*

[The Only Access Route to the Value Quasi-Material]

According to criterion (2), the form of value is a relation which allows the commodity owners to take advantage of the value of their commodities. In order to see how they can do this, we have to draw on what we know about value. It was derived earlier, in 127:3, that as exchange-values commodities are reducible to a common substance. This common substance is the “value quasi-material” embedded in the commodity which Marx first mentions in 128:3. It complements the commodity’s bodily form just as the soul complements the human body. According to a draft manuscript for the second edition of *Capital* published in [Mar87a, p. 7:2], Marx considered writing the following after the sentence with the home-grown bodily form:

Their ghost-like <i>value quasi-material</i> by contrast cannot be seen.	Ihre gespensterhafte <i>Werthgegenständlichkeit</i> ist dagegen nicht wahrnehmbar.
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The need for a form of value can therefore be paraphrased as: the commodity owners must find a way to make the invisible value quasi-material in their commodities beneficial for them. This reference to the value quasi-material did not make it into the second or later editions of *Capital*. As I already mentioned in the annotations of 128:3, Marx may have been a little cautious with his formulations so that he would not be accused of idealism. It seems to me that Marx is leaving a little gap in his argument here, apparently counting on it that the reader understands that, when he talks about the body of the commodity, he implicitly also talks about the body’s “opposite,” the value quasi-material (another formulation which did not make it into the final editions, see [Mar87a, p. 7:1]). Instead of first saying that the form of value must make the invisible value quasi-material accessible to the economic agents, Marx’s next step is already to point out an obstacle in reaching this (unstated) objective:

138:2/o The quasi-material that makes up the value of a commodity differs in this respect from Dame Quickly, that one does not know “where to have it.”

62:2 Die Wertgegenständlichkeit der Ware unterscheidet sich dadurch von der Wittib Hurtig, daß man nicht weiß, wo sie zu haben ist.

↑ Dame Quickly is a character in Shakespeare’s *Henry IV*. In part 1, act 3, scene 3, Falstaff says: “Why, she’s neither fish nor flesh; a man knows not where to have her.” Dame Quickly: “Thou art an unjust man in saying so: thou or any man knows where to have me, thou knave, thou!”

Question 172 (Fri Sep 10–Mon Sep 13) Explain the metaphor in which Marx compares a commodity’s value quasi-material with Dame Quickly. (This is for someone who knows Shakespeare!)

The reference to Dame Quickly is a poetic description of the trials and tribulations of the commodity producer on the market. He spent a lot of time producing his commodity, but the particular labor he has put into it does not benefit him because he does not need the use-values he is producing. He produced this use-value only in order to embed abstract human labor in his commodity. This abstract human labor is his claim-check for the things he needs, which are themselves the product of abstract human labor. Therefore he somehow has to get access to the abstract human labor in his commodity, to get hold of the *value quasi-material* in the commodity he produced. But this material is elusive.

The question is therefore where this value quasi-material can be had, i.e., how the commodity producers can get access to and therefore benefit from the value produced by their own labor. Marx uses an elimination argument based on the following two alternatives spelled out in the first edition of *Capital*, 30:1:

1. The Commodity

Commodities are objects. Whatever they are they must either be as objects or show in their own objective relationships.

Waren sind *Sachen*. Was sie sind, müssen sie sachlich sein oder in ihren eigenen sachlichen Beziehungen zeigen.

Question 173 (*Fri Sep 10–Mon Sep 13*) Give an example of an object for which it is not true that it is what it is as an object.

↓ The first alternative is therefore: can we find the value quasi-material in the commodity as an object? The answer is “no.” That so and so much abstract labor was used up in the production of the linen is not evident from its use-value:

Unlike the crude tangible material of which use-values are composed, this value quasi-material does not contain a single atom of physical matter.

Im graden Gegenteil zur sinnlich-groben Gegenständlichkeit der Warenkörper geht kein Atom Naturstoff in sie ein.

Question 174 (*Fri Sep 10–Mon Sep 13*) How does Marx’s statement in 138:2/o that a commodity’s value quasi-material “does not contain a single atom of physical matter” relate to his other statement in 177:3–4 that “no chemist has ever discovered exchange-value in pearl or diamond.” Do they say the same thing or something different? 2005fa, 2004fa, 2003fa, 2002fa, 1998WI, 1997ut, 1997WI.

↓ Hence it is impossible to get access to the value inside the commodity through direct physical interaction with the commodity:

However much one may tilt and turn a single commodity, one will not be able to lay one’s hands on it as a thing consisting of value.

Man mag daher eine einzelne Ware drehn und wenden, wie man will, sie bleibt unfaßbar als Wertding.

↓ Therefore only the other alternative remains: this value must manifest itself in the relationships which these commodities have with each other.

If we remember, however, that commodities contain the value quasi-material only in so far as they are expressions of the same social unity, human labor, i.e., that their value quasi-material is something purely social, then we will understand that it can only manifest itself in the social relation of commodity to commodity.

Erinnern wir uns jedoch, daß die Waren nur Wertgegenständlichkeit besitzen, sofern sie Ausdrücke derselben gesellschaftlichen Einheit, menschlicher Arbeit, sind, daß ihre Wertgegenständlichkeit also rein gesellschaftlich ist, so versteht sich auch von selbst, daß sie nur im gesellschaftlichen Verhältnis von Ware zu Ware erscheinen kann.

[Digression: Social Versus Interpersonal Relations]

↑ The same word “social” occurs three times in this long sentence, but it has a slightly different meaning in its third occurrence than in the first two. I will digress here in order to clarify some basic concepts, so that we can properly understand Marx’s argument. First a word about the concept of *social relations*. When Marx speaks of social relations, he often uses the formulation that they are relations “of” the individuals, not “between” the individuals. An explanation of this can be found in the following statement in *Grundrisse*, p. 265:0, which may at first seem astonishing: Society does not consist of individuals, but expresses the sum of connections, relations, in which these individuals stand with respect to each other.

Die Gesellschaft besteht nicht aus Individuen, sondern drückt die Summe der Beziehungen, Verhältnisse aus, worin diese Individuen zueinander stehen.

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Question 175 (*Fri Sep 10–Mon Sep 13*) Marx writes: “*Society does not consist of individuals, but expresses the sum of relations in which the individuals stand.*” Why did he switch from “consist” to “express,” i.e., why did he not write “*society consists of the sum of relations in which the individuals stand*”? [2008fa](#), [2008SP](#), [2004fa](#).

If we use the word “society” we are mainly referring to relations and not individuals. The relations pre-exist any individuals that may slip into these relations and give them life. For instance, the roles of a mother or a teacher are very clearly circumscribed social roles which preexist any individual mother or teacher living today. Today’s mothers or teachers did not create these roles, but their behavior reproduces these roles and, often unintentionally, transforms them.

Society is therefore not seen as a group of individuals with rubber bands between them, but as a building with many different rooms inhabited by the individuals. Its architecture can be studied before one knows anything about the individuals living in these rooms.

The declaration that “society does not consist of individuals” implies that “the social” is not reducible to the conscious actions and intentions of individuals. This view deeply permeates *Capital*. The social relation “value” for instance is not explained by the goals and preferences of the commodity owners, but by the organizational structure of social production.

In capitalism, all labor counts as equal, all labor counts as the expenditure of a part of the mass of the human labor-power available to society. In every society, labor-power must be expended to shape the use-values of the products. In capitalism, the labor process has a second effect: people remember how much labor-power they spent in the production of the use-value because this use-value is their claim on the products of the labors of the others. The labor-power, therefore, does not disappear when it is used up but it is accumulated in the value of the product. This accumulated past labor-power is the “value quasi-material” Marx is talking about.

Now we know that Marx means when he says that the value quasi-material is something social. Now what does he mean with the phrase that it can only manifest itself in the relationship of commodity to commodity?

The error of trying to reduce society to individuals is made so often because nothing happens in society without some individual carrying it out. The social structure grows, so-to-say, behind the backs of the individuals, and is not controlled by the individuals, nevertheless their individual activity is the motor maintaining the social structure. Example: if a commodity has value, this causes people to act in certain ways with respect to it, and on the other hand, only if this activity occurs will a commodity have value. The commodity owner can therefore benefit from the value in his or her commodity only through the value-sustaining behavior of other individuals—there is no way to benefit from the value just in a direct physical interaction between the commodity-owner and the commodity itself. Any form of value must therefore involve interpersonal activity, i.e., activity involving other commodity owners. And since commodity owners are only the “character masks” acting out the relations of the commodities themselves, this interpersonal activity must be kindled by a relationship from commodity to commodity. Unfortunately, Marx’s terminology does not have a separate word for “interpersonal” as opposed to “social” relations but used the same word “social relations” for them. But the formulation “social relation of commodity to commodity” makes it clear that Marx means here a relationship in which the commodities come in direct contact with each other, i.e., an “interpersonal” relationship between commodities.

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Question 177 (*Fri Sep 10–Mon Sep 13*) Find other passages of Marx where he is explicitly speaking of interpersonal or inter-commodity instead of structural social relations.

To sum up, this long digression tried to show that the passage 138:2/o can be paraphrased as: Value is a social relation, therefore we have to look at the direct interactions between commodities if we want to know how individuals can benefit from the values in their commodities. Now let's continue reading Marx's text.

[Two Brief Digressions by Marx]

Before doing what he said he had to do (namely, investigate the direct social interactions between commodities in order to find the channels through which commodity owners exchange information and benefit from their commodities), Marx himself makes two brief digressions. ↓ In his first digression, he remarks that a look at the direct interactions between commodities was also the starting point for a different investigation, namely, the earlier derivation of what value is.

The exchange-value or exchange relation of commodities was in fact the starting point in our search for their value hidden inside it.

Wir gingen in der Tat vom Tauschwert oder Austauschverhältnis der Waren aus, um ihrem darin versteckten Wert auf die Spur zu kommen.

↓ Already in 127:1, Marx comes to the conclusion that the exchange relations of the commodities are the “form of appearance” (*Erscheinungsform*) of something which he later calls “value.” And in a brief commentary about his starting point in the *Notes to Wagner*, p. [mecw24]544:6/o, Marx says that he initially analyzes the commodity in the “form in which it appears.”

We must now come back to this form of appearance of value.

Wir müssen jetzt zu dieser Erscheinungsform des Werts zurückkommen.

↑ We are therefore arguing in a circle. We started with the form of appearance of value, then we inferred from this what value is, and now we have arrived back at where we started. But this roundtrip was not a waste of time; it allows us now to ask the intelligent questions about what is visible, for instance, to what extent these surface forms satisfy criteria (1) and (2) defined above. These questions will also propel us from the simplest form of value to the more developed forms of value. The circular course of the investigation—from the phenomena to the underlying mechanisms and then back to a fuller understanding of the phenomena—is not an accident. In 102:2 and in the *Introduction to Grundrisse*, [mecw28] 37:2–38:1, Marx describes it as a necessary procedure in social sciences.

↓ Marx's second digression surveys what must be accomplished:

139:1 Everyone knows, if he knows nothing else, that commodities have a value form common to them all which presents a marked contrast to the varied bodily forms of their use-values—namely, their money form.

62:3 Jedermann weiß, wenn er auch sonst nichts weiß, daß die Waren eine mit den bunten Naturalformen ihrer Gebrauchswerte höchst frappant kontrastierende, gemeinsame Wertform besitzen—die Geldform.

↑ The “money form” of a commodity is a concept which belongs into chapter Three, see 203:3/oo. When Marx uses this word already here, he refers to the fact of life that all commodities can be turned into money, and indeed *must* be turned into money if their producer is to benefit from having produced them.

↓ The money form itself is so striking that it has attracted a lot of attention, but nobody ever tried to explain the *genesis* of the money form.

Here however, a task is set to us, which bourgeois economics never even tried to accomplish, namely, to trace the genesis of this money form,

Hier gilt es jedoch zu leisten, was von der bürgerlichen Ökonomie nicht einmal versucht ward, nämlich die Genesis dieser Geldform nachzuweisen,

Question 182 (*Fri Sep 10–Mon Sep 13*) *Why did bourgeois economics never attempt to derive the genesis of the money form?* [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#).

The most casual observer known that in capitalism, money can buy everything. One can fully understand this only if one is aware of an equally peculiar but less visible fact about our society: that production is private and its coordination is mediated through surface interactions on the market. The “genesis of the money form” links the striking and astonishing money form to this equally remarkable underlying fact. ↑ The second half of the sentence names the results of such a needed “genetic” approach to explaining the money form:

i.e., to pursue the development of the value expression contained in the value relation of the commodities from its simplest, almost unnoticeable shape to the blinding money form.

also die Entwicklung des im Wertverhältnis der Waren enthaltenen Wertausdrucks von seiner einfachsten unscheinbarsten Gestalt bis zur blendenden Geldform zu verfolgen.

Question 183 (*Fri Sep 10–Mon Sep 13*) *Give other examples where a relationship is at the same time an expression about one of the parties in that relationship.*

↑ The boast that nobody did this before is Marx’s opener for a quick summary how he is going to proceed in his genetic approach to the value form. He begins with the value interactions of the commodities, i.e., the interactions which commodities have with each other on the market due to the fact that they contain value. In these value interactions he is looking for *expressions* of value, i.e., relations which, since they flow from the values in the commodities, transmit information about these values. There is a hierarchy of such expressions from simple to elaborate. The principle which drives these expressions forward is: how well suited is the information contained in these relations for governing the decisions of the producers of the commodities, i.e., this is criterion (1).

When this is done, the riddle of money will disappear at the same time. | Damit verschwindet zugleich das Geldrätsel.

I translated *Geldrätsel* with “riddle” instead of “mystery.” Mystery, *Geheimnis*, is an

ontological category: things are intrinsically *geheimnisvoll*. A riddle, on the other hand, is

epistemological: someone does not know something, is perplexed by it, tries to resolve it.

↑ The “riddle of money” is the riddle why money can buy everything. It is not Marx’s only concern or even main concern. Marx’s main concern is the link between money and production. But bourgeois economics was preoccupied with the properties of money in circulation.

Exam Question 184 *Marx announces at the beginning of section 3 of chapter One that he is going to answer questions which were never even asked by bourgeois economists. Formulate these questions in your own words.* [2002fa](#), [2001fa](#).

Question 186 (*Fri Sep 10–Mon Sep 13*) *What does Marx understand to be the riddle of money? And how does he solve this riddle in section 3?* [2007fa](#), [2005fa](#), [1997ut](#), [1997sp](#), [1997WI](#), [1996ut](#), [1996sp](#), [1995ut](#), [1995WI](#).

1. The Commodity

[From Commodity Interactions to the Form of Value]

Now Marx begins his analysis. Just before his two digressions, in 138:2/o, he said: since commodity value is something social, it can appear, manifest itself, only in the social interactions which commodities have with each other. Now what interactions do commodities have with each other as values? In the First edition, 38:1, reprinted [here](#) in the present Annotations, Marx wrote: their social interaction as commodities is simply that they count for each other as quantitatively different but qualitatively equal blobs of congealed abstract human labor. This is already quite simple, yet Marx looks for the *simplest* such interaction:

139:2 Obviously, the simplest value relation is that of one commodity to a single commodity of a different kind, whatever this other commodity may be.

62:4 Das einfachste Wertverhältnis ist offenbar das Wertverhältnis einer Ware zu einer einzigen verschiedenartigen Ware, gleichgültig welcher.

↑ This is the simplest value interaction because both commodities are ordinary commodities. Neither commodity is gold or some other use-value which predisposes it to function as money.

Question 188 (*Fri Sep 10–Mon Sep 13*) Why doesn't Marx say that the simplest value relation is that between commodity and money? [2008fa](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#).

Question 189 (*Fri Sep 10–Mon Sep 13*) In a capitalist economy very few commodities are directly exchanged against each other. Almost all transactions involve money and a commodity. Why does Marx start his investigation with the exchange relation between two commodities, instead with the much more common relation between money and a commodity? [2008fa](#), [2008SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#).

The value relation between two commodities yields therefore the simplest expression of the value of a commodity.

Das Wertverhältnis zweier Waren liefert daher den einfachsten Wertausdruck für eine Ware.

Wertausdruck für eine Ware = Ausdruck für den Wert einer Ware = Ausdruck des Werts einer Ware.

↑ An “expression” of value is any relation or behavior that exists because commodities have value, and that emits information about this value. A *form* of value is a property of commodities allowing them to relate to each other as values. Forms of value are the roles which commodities play in an expression of value, see 32:1/o in the First edition.

The sentence above announces what Marx is investigating next. He will first show that the simplest value relation “yields” or contains an expression of value, and then in a long and abstract development he will analyze the roles of the two commodities in this expression of value. In the background are criteria (1) and (2): Marx will investigate to what extent these forms of value meet or do not meet the above criteria, and failure to fully meet these two criteria will also lead to more developed forms.

1.3.A. The Simple, Isolated, or Accidental Form of Value

1.3. Form of Value

Marx uses the attributes “*einfach*,” “*einzeln*,” and “*zufällig*.” He does not use “elementary.” Since there

is a conflict with the use of “elementary” in the very first paragraph of *Capital*, this word is

not used in this translation either.

Assume 20 yards of linen and 1 coat have the same value, i.e., (a) both are representations of abstract human labor, and (b) the socially necessary labor-time to produce them is equal. How do they interact with each other based on this relation, i.e., the social connection between them that they both represent the same amount of abstract human labor? The simplest such interaction is that one points to the other as its equal. (What Marx calls the simplest value relation I am calling here the simplest value interaction.) Marx picks the linen. His notation for the 20 yards of linen pointing to the coat as its equal is:

139:3–4 x commodity *A* = y commodity *B* or: x commodity *A* is worth y commodity *B*. (20 yards of linen = 1 coat or: 20 yards of linen are worth 1 coat.)

63:1 x Ware *A* = y Ware *B* oder: x Ware *A* ist y Ware *B* wert. (20 Ellen Leinwand = 1 Rock oder: 20 Ellen Leinwand sind 1 Rock wert.)

In Marx's original text, both linen and coat are made by men, not women, but Marx playfully uses the fact that the German language gives (often rather arbitrary) male

and female genders to things. Linen is female and coat is male. In order to replicate this colorful stylistic play in the translation, I will pretend here that the coat was

made by a man and the linen by a woman (although usually weaving was men's work; spinning was women's work).

Since our intuition comes from an already monetized economy, the following remark may be useful at this point: “20 yards of linen are worth 1 coat” is a different and in fact a more elementary statement than: “20 yards of linen are worth as much as 1 coat.” The latter statement refers to the value of both coat and linen as a third thing different from both coat and linen. This is the point of view of the General equivalent, see [159:1](#). The statement “20 yards of linen are worth 1 coat,” by contrast, can be considered a price tag denominated in coats (instead of dollars). When we say “20 yards of linen are worth 100 dollars” we do not mean that the value of 20 yards of linen is equal to the *value* of 100 dollars, but we mean that 100 dollars *are* the value of 20 yards of linen. This is how the statement “20 yards of linen are worth 1 coat” should be read: it does not say that the *value* of the coat is equal to the value of the linen, but that the *coat itself* represents the value of the linen.

Since these Annotation are written for a general audience, I'd like to take this opportunity to also address a more basic misunderstanding sometimes happening to careless readers of the text. The form of value, which Marx discusses here, has no relation to the *use-values* involved. Unfortunately, Marx chose an example in which there *is* a relationship between the use-values: linen can be used to make coats (although Marx himself was thinking of woolen coats, see [145:2](#)). This invariably leads to misunderstandings, such as, that the coat represents the value of the linen because it shows what kind of use-values can be made out of linen. Or, in the reverse relationship, the linen represents the value of the coat, since it takes this many yards of linen to make a coat. A careful reading of the text will show without doubt that *this is totally wrong!* The question whether one commodity is a raw material of which the other commodity can be made, or any other relationship of the *use-values*, has no bearing on the value form. It would have been better had Marx chosen the relationship

10 bags of potatoes = 1 coat

to make it clear that the value relation is *not* a relationship between the use-values. The linen weaver happens to need a coat and is willing to give 20 yards of linen in exchange for a coat.

1. The Commodity

The *use-values* of linen and coat need not be related in any way to each other for such an exchange to take place.

As the placement of the formula “20 yards of linen is worth 1 coat” just below the title suggests, and as announced in 139:2, this interaction between linen and coat is an interaction in which the values of linen and coat come to be expressed. Marx is going to flesh this out now in the next four subsections. The subsection titled “The Two Poles of the Value Expression …” gives a fuller explanation of the simplest value interaction. Marx does not fail to mention that this simplest value interaction is an expression of value—because it is—but the first subsection does not yet pay much attention to what this expression says about value. The main result of this first subsection is that linen and coat play different and asymmetric roles in the value interaction “20 yards of linen is worth 1 coat.” Marx’s terminology for these different roles is that the linen is in the “relative form of value” and the coat in the “equivalent form of value.” The subsequent subsections “The Relative Form of Value” and “The Equivalent Form of Value” decipher what the relative and equivalent forms of value says about value. The concluding subsection “The Simple Form of Value Considered as a Whole” discusses the general relationship between value and exchange-value and shows that the exchange relationship between two commodities already contains the germ of money.

The Two Poles of the Value Expression: Relative Form of Value and Equivalent Form

139:5 The secret of all forms of value lies hidden in this Simple form of value. | 63:2 Das Geheimnis aller Wertform steckt in dieser einfachen Wertform.

In this translation, Simple, Expanded, etc., are capitalized, but relative and equivalent are not.

↑ This Simple form contains the “secret” to all forms of value exactly because it is not yet developed. This lack of development allows the researcher to see connections which have been smoothed out and therefore are less easily visible in the more developed forms of value.

Its analysis, therefore, presents the key difficulty. | Ihre Analyse bietet daher die eigentliche Schwierigkeit.

Question 191 (*Fri Sep 10–Mon Sep 13*) Does Marx contradict himself when he says the Simple form of value is difficult to analyze? 2003fa, 1997WI, 1996ut, 1995ut, 1995WI.

↑ In the preface to the First edition, p. 89:3/o, Marx says that chapter One is the most difficult part of *Capital*. Despite his attempts between the first and second edition to make the analysis of the form of value more accessible, the analysis of the form of value is probably the most difficult part of chapter One.

Since it is so difficult, let’s proceed carefully and methodically. ↓ Marx begins by clearing up a potentially confusing fact: although the equality of the values of linen and coat is a symmetric social relation between linen and coat, their interactions based on this equality need not be symmetric.

139:6 The two commodities of different kinds A and B (here linen and coat) obviously play two different roles. | 63:3 Es spielen hier zwei verschiedenartige Waren A und B, in unserem Beispiel Leinwand und Rock, offenbar zwei verschiedene Rollen.

1.3. Form of Value

The discussion in the present subsection (this and the next three paragraphs) seem more Hegelian than it is. It looks like an immersion into the meaning of the sentence “20 yards of linen are worth 1 coat.” But Marx has turned Hegel right side up. He merely explains in more detail the interaction between linen and coat which I summarized above as “the linen points to the coat as its equal” and which Marx denotes by the formula “20 yards of linen is worth one coat.”

But this is a very abstract argument requiring subtle thought processes. For instance one might wonder whether Marx argues here in a circle because first he formulates the value interaction in an asymmetric way, and then he makes a big deal about it that it is asymmetric. These doubts can be resolved if we make Marx’s abstract description of the value interaction more concrete and colorful by contemplating the situation and thought processes of the individuals engaged in an exchange. This makes things easier to understand although it is logically not as clean as Marx, since it already interprets the value relations as exchange relations on the surface of the economy, while Marx is still in the process of describing how the relations in the production process project themselves onto the surface.

Going this route, asymmetry can be established as follows: If the social exchange proportion between linen and coat is “20 yards of linen for 1 coat,” then tailors and linen weavers must be on the market who are willing to make this exchange. This exchange is not a co-operative act in which both traders work together towards a common goal. On the contrary, the two traders have their separate reason for this exchange, which are often opposite to each other. In order to understand the individual activity which sustains this social exchange relation, one must therefore look at the point of view of each of the traders separately. By putting the linen on the left side of the equation, Marx has chosen the *linen weaver’s* point of view. If the linen weaver goes to the market and announces “20 yards of linen are worth 1 coat” (or puts up a sign next to her piece of linen to that effect), she expresses her willingness to exchange 20 yards of linen for 1 coat.

Exam Question 192 Why is the Simple value expression asymmetric between coat and linen? [2005fa](#), [2004fa](#), [2002fa](#), [2001fa](#).

↓ I will try to show that also the other things Marx says about the value interaction make sense if we read them as a description of the linen weaver’s situation and thought processes when she takes her linen to the market.

The linen expresses its value in the coat; | Die Leinwand drückt ihren Wert aus im Rock, der Rock dient zum Material dieses Wertausdrucks.

↑ Although Marx states here that this interaction is an expression of the value of the linen—and the notation which Marx chose is not “I am willing to exchange 20 yards of linen for 1 coat” but it is the verbal value expression “20 yards of linen is worth 1 coat”—Marx does not yet investigate in what way this is really a socially valid expression of the value of the linen. Of course, for the linen weaver herself, her willingness to accept 1 coat in exchange for 20 yards of linen is an expression of the value of the linen—in a sense closely related to the “revealed preferences” argument in modern economics: the linen weaver knows how much effort and expense was necessary to produce the linen, and she needs a coat. In light of this information she is willing to give away 20 yards of linen for a coat. In this sense, 20 yards of linen are, for her, worth 1 coat. The use-value of the coat is therefore for her the expression of the value of the linen. (Note that Marx’s own more general derivation, which does not explicitly introspect the thought processes of the linen weaver, only arrives at the

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statement that “the coat” is the material of the value expression without specifying that the *use-value* of the coat is this material.)

Modern neoclassical economics infers from this practical decision that in the linen weaver’s utility function, 20 yards of linen are ranked lower than 1 coat. Marx does not make this additional step. Instead, he insists that the linen weaver does not look at linen as use-value. She does not need linen, and she did not produce linen for her needs. But even if the linen weaver was modeled to have a *Marxian* utility function, i.e., the linen enters her utility function not as a use-value, but as the disutility of her labor, this would still be an essentially different theory than Marx’s own. Of course, the linen weaver knows how much labor is in the linen, and the amount of labor in the linen is necessarily one of the factors influencing her decision. But the reduction of all exchange-proportions to labor is an outcome generated by the interplay of the decisions of the producers and consumers, and not necessarily something of which the linen weaver is conscious or which is directly reflected in her motivations. Even a linen weaver who loves nothing more than to make linen must sell the linen at a price high enough to enable her to survive.

To say it again: Society is based on people’s actions; what people think and intend is only relevant to the extent that it determines what they do. All we know, and all we need to know at this point, is that the linen weaver is offering to give her linen in exchange for the coat. This individual decision can be called an expression of the value of the linen in the coat not because the linen weaver is necessarily aware where the market value of her linen comes from. Of course, the linen weaver knows the labor content of the linen, and this knowledge enters her decisions, but so do many other things. Only the market interactions between many producers and consumers will filter out labor content as the factor deciding the center of gravity for the social exchange proportions. It must therefore be taken in a very broad sense that her practical actions are an expression of the labor content of the linen.

Here is more about it how the market filters out labor: She knows how much labor is in the linen. For her personally, this labor is not the only factor in her decision. On the market, she is interacting with many other commodity producers who also know the labor content of their own products, but who also have many other considerations when they agree to an exchange. What the individual agents not necessarily know, but Marx does know, is that labor is the only consideration which they share, all the other considerations are accidental and cancel each other out. This is why Marx can say that the linen weaver’s decision to accept a coat for her linen is an expression of the *value* of the linen. Marx does not systematically pursue what the individual agents know and how the information flows from production to the market, although he sometimes remarks on it, see [p](#). See also Engels’s letter to J. Bloch on Sep 21, 1890:

... history is made in such a way that the final result always arises from conflicts between many individual wills, of which each in turn has been made what it is by a host of particular conditions of life. Thus there are innumerable intersecting forces, an infinite series of parallelograms of forces which give rise to resultant one the historical event. This may again itself be viewed as the product of a power which works as a whole unconsciously and without volition. For what each individual wills is obstructed by everyone else, and what emerges is something that no one willed. Thus history has proceeded hitherto in the manner of a natural process and is essentially subject to the same laws of motion. But from the fact that the wills of individuals—each of whom desires what he is impelled to by his physical constitution and external, in the last re-

sort economic, circumstances (either his own personal circumstances or those of society in general)—do not attain what they want, but are merged into an aggregate mean, a common resultant, it must not be concluded that they are equal to zero. On the contrary, each contributes to the resultant and is to this extent included in it.

Question 195 (*Fri Sep 10–Mon Sep 13*) *The linen weaver's willingness to trade her linen for a coat cannot be an expression of the value of the linen, due to the principle that “bygones are bygones.” The labor is a thing of the past, it no longer concerns the weaver; all that concerns her is what exists in the present, which is the linen. The decision to trade the linen must therefore be based on the linen itself and not on the labor used in the past to produce that linen. If the linen weaver trades coat for linen, she therefore reveals her preference of the use-value of the coat over that of the linen, and does not express the value of the linen. Is this a correct argument, and if not, where is the error?*

↓ The next step in Marx's analysis of the value interaction again borders on tautology: since this interaction was defined as the linen pointing to the coat as its equivalent, Marx doesn't seem to be saying anything new if he calls it active.

<p>The first commodity plays an active role, the second a passive one.</p>	<p>Die erste Ware spielt eine aktive, die zweite eine passive Rolle.</p>
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↑ But if we put ourselves in the shoes of the linen weaver, the activity of the linen is no longer just a matter of grammar. The linen weaver just produced 20 yards of linen—although she does not need linen. Instead, she has many other needs. Her effort and expenses producing the linen will be wasted and her needs will remain unmet if she is unable to exchange the linen for the things she needs. Therefore she will not rest until the linen is off her shelf. This urgency gives the linen its active character.

Question 196 (*Fri Sep 10–Mon Sep 13*) *In the Simple or Accidental form of value, which commodity plays an active role, and which a passive role? Explain what it means in this situation to be active or passive.* [2009fa](#), [2007fa](#), [2005fa](#), [2003fa](#), [1999SP](#), [1998WI](#), [1997ut](#), [1997WI](#), [1996ut](#), [1996sp](#), [1995ut](#).

↓ After showing that the two poles of the value interaction differ, Marx gives them different names:

The value of the first commodity is represented as relative value, in other words the commodity is in the relative form of value. The second commodity functions as equivalent, in other words it is in the equivalent form.

Der Wert der ersten Ware ist als relativer Wert dargestellt, oder sie befindet sich in relativer Wertform. Die zweite Ware funktioniert als Äquivalent oder befindet sich in Äquivalentform.

Question 197 (*Fri Sep 10–Mon Sep 13*) *First Marx says that the equivalent form is passive, and then he uses the phrase “functions as equivalent” as synonymous to “being in equivalent form.” Why does he use such an active word as “function” for a role which he just emphasized is passive?*

Viewed as a description of the situation of the individual commodity traders, a commodity is in the relative form of value if it is offered for exchange because its owner has invested labor into it and needs the fruits of this labor in a different use-value form. A commodity

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is in the equivalent form of value if it is in demand because its use-value fits the needs of someone who has a commodity to “pay” for it. Being in the equivalent form is also a form of value, i.e., the coat can only play the role of equivalent in the linen weaver’s offer because it is value as well. Why? Because the linen weaver would not be able to make her offer on the market if tailors would not also come to the market with coats driven by the need to turn the labor in their coats into something useful for them.

Exam Question 199 Explain the different parts played by coat and linen in the equation “20 yards of linen = 1 coat.” [2004fa](#), [2001fa](#), [2000fa](#), [1998WI](#), [1997ut](#), [1997sp](#), [1997WI](#), [1996ut](#), [1996sp](#), [1995ut](#), [1995WI](#).

The paragraph which we just read explained the *differences* between the roles played by linen and coat; the next paragraph goes one step further and stresses the *polar opposition* between these two poles:

139:7/o The relative form of value and the equivalent form are two moments which belong together, mutually condition each other, and cannot be separated; but, at the same time, they are mutually exclusive or opposite extremes. They are the two poles of the same expression of value, distributed over the different commodities which this expression of value brings in relation with each other.

Marx claims that linen and coat not only play different roles in this interaction but that they have a stronger asymmetric relationship which Marx calls here “opposition” (sometimes also translated with “antagonism”). In order to back up this claim Marx makes two specific observations: (a) Not only are the roles of the two commodities different, but the commodities which assume these roles must also have different use-values. (b) The interaction is of necessity one-sided, i.e., in the interaction in which the linen points to the coat as its equivalent, the coat does not simultaneously point to the linen as its equivalent. ↴ Marx first shows point (a), that the same use-value cannot occupy both poles of the Simple value expression:

I cannot, for example, express the value of
linen in linen.

63:4 Relative Wertform und Äquivalentform sind zueinander gehörige, sich wechselseitig bedingende, unzertrennliche Momente, aber zugleich einander ausschließende oder entgegengesetzte Extreme, d.h. Pole desselben Wertausdrucks; sie verteilen sich stets auf die verschiedenen Waren, die der Wertausdruck aufeinander bezieht.

Ich kann z.B. den Wert der Leinwand nicht
in Leinwand ausdrücken.

↳ This, too can be translated into the linen weaver’s thought process. If she were willing to exchange linen against linen (perhaps because she is exchanging linen of one color against identical linen of a different color, or linen today against linen tomorrow), then the criterion for such an exchange would be the equivalence of the use-values of the linen (because the linen weaver could be producing the other kind of linen herself). Such an exchange would not say anything about the *value* of the linen, i.e., about the relationship between the linen weaver and the producers of the commodities the linen weaver needs for her own consumption. ↳ Marx’s own argument can be viewed as an abstract condensation of the interactions just described: the use-values must be different because if they are equal, the closer relation (equality of use-values) trumps the more distant relation (equality of values).

20 yards of linen = 20 yards of linen is not an
expression of value. Instead, this equation
says that 20 yards of linen are nothing but

20 Ellen Leinwand = 20 Ellen Leinwand
ist kein Wertausdruck. Die Gleichung sagt
vielmehr umgekehrt: 20 Ellen Leinwand

20 yards of linen, a definite quantity of the useful object “linen.”

sind nichts anderes als 20 Ellen Leinwand, ein bestimmtes Quantum des Gebrauchsgegenstandes Leinwand.

↑ Of course a different but in all respects equal piece of linen has the same value as the original one. But pointing to this different piece does not say anything about the value of the original linen. ↓ From this Marx draws an important implication: Commodities can only then interact with each other *as values* if they have different use-values.

Question 201 (*Fri Sep 10–Mon Sep 13*) Why doesn't Marx simply say: one cannot express the value of linen in linen, because nobody would exchange 20 yards of linen for 20 yards of linen?

The value of the linen can therefore only be expressed relatively, i.e. in another commodity. The relative form of the value of linen therefore presupposes that some other commodity confronts it in the equivalent form.

Der Wert der Leinwand kann also nur relativ ausgedrückt werden, d.h. in anderer Ware. Die relative Wertform der Leinwand unterstellt daher, daß irgendeine andre Ware sich ihr gegenüber in der Äquivalentform befindet.

↑ The second commodity involved can be any use-value, but it must be a *different* use-value than the first. This concludes Marx's first point, which I above called point (a). Although Marx used the word “expression of value” to make this point, my Annotations tried to paraphrase his argument without using the word “expression,” in order to show that at the moment we are still discussing the value interaction itself, not yet the expression of value contained in this interaction.

↓ (b) Now assume condition (a) is satisfied, i.e., two different use-values (linen and coat) occupy the two poles of the Simple form of value. Even then, the interaction could in theory still be symmetric, if the interaction between linen and coat in which the linen points to the coat as its equivalent, is at the same time an interaction in which the coat points to the linen as its equivalent. Marx denies that this is the case.

On the other hand, this other commodity, which figures as the equivalent, cannot simultaneously be in the relative form of value.

Andrerseits, diese andre Ware, die als Äquivalent figuriert, kann sich nicht gleichzeitig in relativer Wertform befinden.

↑ There is no symmetry between the two poles, the two different commodities indeed play different parts in their interaction.

It is not the latter commodity whose value is expressed. The latter commodity only provides the material in which the value of the first commodity is expressed.

Nicht sie drückt ihren Wert aus. Sie liefert nur dem Wertausdruck anderer Ware das Material.

↑ Again, for Marx this is simply a detailed explanation of what the interaction between linen and coat, which Marx labels by the formula “20 yards of linen are worth 1 coat,” looks like. If we put ourselves into the shoes of the linen weaver, this one-sidedness of the interaction is at the heart of her dilemma. She would love to turn her linen into a coat, but she cannot do this because she produces linen, not coats. Therefore she offers to turn the tailor's coat into linen, in the hope the tailor will take her up on this and by this also turn her linen into a coat. But she is very aware that the fact that she thinks 20 yards of linen are worth 1 coat does not mean that the tailor will think 1 coat is worth 20 yards of linen.

↓ It follows from the thorough asymmetry of this interaction that the interaction which we just described is not the only possible interaction in which linen and coat interact as values.

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Since the interaction which we discussed is not symmetric in itself, there is also a second interaction, which is the mirror-image of the first.

140:1 Of course, the expression 20 yards of linen = 1 coat, or 20 yards of linen are worth 1 coat, also implies its reverse: 1 coat = 20 yards of linen, or 1 coat is worth 20 yards of linen.

63:5 Allerdings schließt der Ausdruck: 20 Ellen Leinwand = 1 Rock oder 20 Ellen Leinwand sind 1 Rock wert, auch die Rückbeziehungen ein: 1 Rock = 20 Ellen Leinwand oder 1 Rock ist 20 Ellen Leinwand wert.

↑ The linen weaver can exchange linen for coat only if the tailor agrees to this exchange—and the tailor's agreement indicates that for him, the linen is an equivalent for his coat. ↓ But if the coat is in the relative form of value in the *tailor's* expression of value that does not mean it is in the relative form of value in the *linen weaver's* expression of value:

But in this case I must reverse the equation, in order to express the value of the coat relatively; and, if I do that, the linen becomes the equivalent instead of the coat.

Aber so muß ich doch die Gleichung umkehren, um den Wert des Rocks relativ auszudrücken, und sobald ich das tue, wird die Leinwand Äquivalent statt des Rockes.

In the First edition, 628:2, Marx describes how the linen weaver's value expression interacts with the tailor's value expression:

Denken wir uns Tauschhandel zwischen Leinwandproduzent A und Rockproduzent B. Bevor sie Handels einig werden, sagt A: 20 Ellen Leinwand sind 2 Röcke wert (20 Ellen Leinwand = 2 Röcke), B dagegen: 1 Rock ist 22 Ellen Leinwand wert (1 Rock = 22 Ellen Leinwand). Endlich, nachdem sie lang gemarktet, stimmen sie überein. A sagt: 20 Ellen Leinwand sind 1 Rock wert, und B sagt: 1 Rock ist 20 Ellen Leinwand wert.

Imagine a barter transaction between linen weaver A and coat producer B. Before they agree on a trade, A says: 20 yards of linen are worth 2 coats (20 yards of linen = 2 coats), whereas B says: 1 coat is 22 yards of linen worth (1 coat = 22 yards of linen). Finally, after bargaining for a long time, they come to agreement. A says: 20 yards of linen are worth 1 coat, and B says: 1 coat is worth 20 yards of linen.

This shows that Marx had indeed the thought processes of linen weaver and tailor in mind. The later editions suppressed any references to them presumably because Marx considered it as an extraneous imagination and illustration which was not necessary in the abstract development he aspired to. This is not the only occasion where Marx is hiding or discarding the crutches which might make it easier to follow his thinking, presumably because he did not want to promote “picture-thinking” (*Vorstellungen*).

↑ This concludes Marx's proof of what we called assertion (b):

The same commodity cannot, therefore, simultaneously appear in both forms in the same expression of value. These forms rather exclude each other as polar opposites.

Dieselbe Ware kann also in demselben Wertausdruck nicht gleichzeitig in beiden Formen auftreten. Diese schließen sich vielmehr polarisch aus.

↓ The possibility to reverse the interaction between linen and coat also has a different implication: every commodity that can be in the relative form of value can also be in the equivalent form of value.

140:2 Whether a commodity is in the relative form or in its opposite, the equivalent form, exclusively depends on the position it holds in the expression of value. That is,

64:1 Ob eine Ware sich nun in relativer Wertform befindet oder in der entgegengesetzten Äquivalentform, hängt ausschließlich ab von ihrer jedesmaligen Stelle im

it depends on whether it is the commodity whose value is being expressed, or the commodity in which value is being expressed. Wertausdruck, d.h. davon, ob sie die Ware ist, deren Wert, oder aber die Ware, worin Wert ausgedrückt wird.

↑ This arbitrariness of the commodity in the equivalent form again describes the situation of the linen weaver. The linen weaver not only needs coats but also many other goods, and whenever she exchanges her linen for these other goods she expresses the value of her linen in these other goods.

Marx writes “exclusively” because the question whether a commodity is in the relative or equivalent form does not depend on anything *other* than its position in the expression of value. In particular, the equivalent form is not tied to any particular use-values. The Simple equivalent is still a general form of value in the sense that a commodity does not have to be gold in order to serve as equivalent. Any commodity can be equivalent, just as any commodity can be in the relative form. The value forms discussed here are transient forms. Just as an individual in capitalist society is sometimes buyer and sometimes seller, so a commodity is sometimes in the relative and sometimes in the equivalent form. Other relations are not transient: a given commodity is not sometimes money and sometimes an ordinary commodity, and the same individual is usually not sometimes a laborer and sometimes a capitalist.

Question 202 (*Fri Sep 10–Mon Sep 13*) Assume 20 yards of linen and 1 coat have equal value, i.e., equal amounts of abstract social labor are necessary to produce them. In the subsection called “the two poles of the value expression” Marx says the following about the value interaction “20 yards of linen are worth 1 coat” in which the linen points to the coat as its equivalent:

- (a) Although the equality of the values of linen and coat is a symmetric social relation, this value interaction is asymmetric: linen and coat play different roles in it.
- (b) The linen expresses its value in the coat.
- (c) The linen is active, the coat is passive.
- (d) It is not possible for linen to express its value in linen, rather, a commodity with a different use-value is needed for the expression of its value.
- (e) If 20 yards of linen and 1 coat have equal values, their value relation also makes it possible to express the value of the coat in 20 yards of linen. But this is a different expression than the expression of the value of 20 yards of linen in 1 coat.
- (f) Commodities other than coats can also be used for an expression of the value of 20 yards of linen.

These 6 statements as implications of the original statement “20 yards of linen are worth 1 coat.” They make the meaning of this original statement explicit. However, Hans argues in the Annotations that all 6 statements can also be viewed as a description of the thought processes of a linen weaver who needs a coat and who is willing to exchange 20 yards of linen for 1 coat—which is at the same time the exchange relationship in the market between linen and coat. Explain exactly how each point can be derived from this scenario.

The Relative Form of Value

Social relations can be and often are expressions of something. If Jane marries John she enters a specific social relationship with him. By entering this relation she at the same time expresses her love for John, and Jane’s love indirectly also reflects on John, it is an

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expression of his qualities as a husband. Many other examples can be given: whom I date is an expression of my popularity, salary is often used as expression of self-worth, etc. In the same way, the social interactions of commodities as values are expressions of the values of these commodities. Marx will show now in great detail how this is the case.

From the beginning, Marx has called the simplest value interaction an *expression* of value—and the formula “20 yards of linen is worth 1 coat” is indeed an expression, it expresses the value of the linen in the coat. In our interpretation of Marx’s discussion as the linen weaver’s willingness to exchange her 20 yards of linen for 1 coat, it is not only a verbal expression, but the linen weaver is ready to act on it, by accepting the coat in exchange for her linen. Nevertheless this is still a very private expression, which originates in the mind of the linen weaver, and which she has to communicate verbally—by the phrase “20 yards of linen is worth 1 coat” or by attaching a price tag to her linen—if she wants to exchange her linen. Next Marx will show how the actions of weaver and tailor generate an independent *representation* of the value not only of the linen but, in its more developed forms, of all value, which can be seen and acted upon by all producers and consumers of commodities. In a further step, Marx will pay special attention to the private *producers* and see how they use the information contained in this representation.

One might say that until now the Simple form of value was discussed from the inside, i.e., from the point of view of the linen weaver herself. From now on it will be discussed from the outside, i.e., from the point of view of the market participants who observe the exchanges without knowing the thought processes of those who make these exchanges. In this new discussion, Marx first looks at relative and equivalent forms separately, and then at the relationship as a whole. The relative form has to be discussed first because it is active.

Content of the Relative Form of Value The derivation of the laws of commodity production and circulation in chapter One is made on the basis of simple commodity production (another instance of abstraction). The individuals meeting on the market are also those who produce and consume. Each knows exactly what is involved in producing that commodity which he or she brings to market, and the choices he or she makes on the market are informed by this knowledge. In the subsection which we are about to read, Marx is asking how the linen weaver, by agreeing to trade her 20 yards of linen for 1 coat, informs others about the part of the deep structure of the economy she is familiar with, i.e., the production of linen. This is what Marx calls the “content” of the relative form of value. Afterwards, starting with 140:3/o, Marx will broaden his field of vision and look at the joint impact of the exchange decisions of many individual traders. But first he looks at two traders only.

140:3/o In order to discover how the Simple expression of the value of a commodity is embedded in the value relation between two commodities, we must, for now, look at the value relation quite independently of its quantitative aspect.

[Why One Has to Begin with Quality and Not with Quantity] The Moore-Aveling translation is: “In order to discover how the elementary expression of the value of a commodity lies hidden in the

64:2–3 Um herauszufinden, wie der einfache Wertausdruck einer Ware im Wertverhältnis zweier Waren steckt, muß man letzteres zunächst ganz unabhängig von seiner quantitativen Seite betrachten.

value relation of two commodities.” Fowkes is very similar: “In order to find out how the simple expression of the value of a commodity lies hidden in the value relation between two commodities.” The formulation

“lies hidden” is wrong. An expression cannot be hidden. It may need deciphering, but there is a difference between something that is clearly visible on the surface but is not understood, and something that is hidden.

Question 204 (Fri Sep 10–Mon Sep 13) Five times in Section 1.3 Marx uses the formulation that the value relation between two commodities “yields” or “contains” an expression of value, or that an expression of value “is embedded” in the value relation. Copy one of the five sentences where he says this (with page reference), and explain in your own words what he means by this formulation.

The word “expression of value” in the above sentence and in the whole development that follows now refers to a *public* expression of value, i.e., information about the value of the linen which others receive from the market activity of the linen weaver.

This is a little confusing because in the just preceding four paragraphs, the same word “expression of value” was used for the *private* expression of value, i.e., for the thoughts inside the linen weaver’s head which are not visible to others. But these thoughts lead to actions which do transmit information to others. These actions, and their competitive responses by other market participants, will be discussed here.

One might think that the most important piece of information transmitted by the linen weaver’s willingness to accept 1 coat in exchange for her 20 yards of linen is the quantity of linen which she offers in exchange for the coat. Marx’s above passage implies that this is a fallacy. This preoccupation with the quantities *prevents* us from recognizing how the value relation between two commodities is the expression of the values of the commodities involved. ↓ But Marx acknowledges that his critique of common sense is probably a surprise to the reader:

The usual procedure is the precise opposite of this: one sees in the value relation only the proportion in which specific quantities of two sorts of commodity count as equal to each other.

Man verfährt meist grade umgekehrt und sieht im Wertverhältnis nur die Proportion, worin bestimmte Quanta zweier Warenarten einander gleichgelten.

Question 206 (Fri Sep 10–Mon Sep 13) The exchange relationship between the commodities is a symmetric relationship: if 20 yards of linen can be exchanged for a coat, then a coat can also be exchanged for 20 yards of linen. Besides, Marx said in 126:2 that this relationship appears at first as the quantitative proportion in which commodities can be exchanged for each other. Despite this, Marx argues that the expression of value contained in this relationship is not symmetric and not primarily quantitative. Summarize in your own words, and in a way that your 10-year-old nephew can understand, the arguments used by Marx to support these two claims. 2008SP.

↓ Although it is commonly done, the procedure of beginning with the quantities cannot be right, for methodological reasons alone:

One overlooks that the magnitudes of different things become comparable in quantitative terms only after these things have been reduced to the same unit.

Man übersieht, daß die Größen verschiedner Dinge erst quantitativ vergleichbar werden nach ihrer Reduktion auf dieselbe Einheit.

In German, the beginning of the above sentence “*man übersieht*” is parallel to the beginning to the

previous sentence “*man ... sieht*.” This is why I used the translation “one overlooks” instead of “it is

apt to be forgotten.”

↑ Here is the word “reduction” again, which we first encountered in 127:2. ↓ Therefore it is appropriate to look at the quantity only after we know that the qualities are equal.

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Although this remark is a logical implication of the previous sentence, is a little premature here because Marx has not yet shown that the qualities are equal. In the First edition 629:1, this and the preceding sentence were placed better, because they came after Marx's assertion/proof that the qualities are equal.

It is only as expressions of such a common unit that they are of the same denomination, and are therefore commensurable magnitudes.¹⁷

Nur als Ausdrücke derselben Einheit sind sie gleichnamige, daher kommensurable Größen.¹⁷

Question 207 (*Fri Sep 10–Mon Sep 13*) *What is the difference between “being of the same denomination” and “being commensurable magnitudes”?*

Fowkes:

“Only as expressions of the same unit do they have a common denominator, and are therefore commensurable magnitudes.”

This is an unfortunate translation.
For Marx, “being of equal

denomination” is a statement about quality, and “being commensurable” a statement about quantity. Compare 159:1. This nuance is lost in Fowke's translation because “having a common denominator” is already a quantitative statement. Moore-Aveling have it right:

“It is only as expressions of

such a unit that they are of the same denomination, and therefore commensurable magnitudes.”

This is one of the cases where Fowkes got it wrong, although the Moore-Aveling translation had it right.

[Message generated by the Linen Weaver's Exchange Offer] After all these remarks about the wrong approach, Marx finally shows us how to do it right, and tells us what remains of the Simple form of value if we look at it independently of its quantitative aspect.

141:1 Whether 20 yards of linen = 1 coat or = 20 coats or = x coats, i.e. whether a given quantity of linen is worth few or many coats, each such proportion always implies that the linen and the coat, as magnitudes of value, are expressions of the same unit, things of the same nature. Linen = coat is the basis of the equation.

64:3 Ob 20 Ellen Leinwand = 1 Rock oder = 20 oder x Röcke, d.h., ob ein gegebenes Quantum Leinwand viele oder wenige Röcke wert ist, jede solche Proportion schließt stets ein, daß Leinwand und Röcke als Wertgrößen Ausdrücke derselben Einheit, Dinge von derselben Natur sind. Leinwand = Rock ist die Grundlage der Gleichung.

↑ Our curiosity whether the linen weaver is willing to give 20 or 25 or 18 yards of linen for the coat she needs should not detract us from a more basic noteworthy fact: her exchange offer tells everyone that in some respects, the two different commodity-kinds linen and coat are *equal* to each other.

Question 210 (*Fri Sep 10–Mon Sep 13*) *If the linen weaver offers 20 yards of linen for 1 coat, then anyone who has a coat has the opportunity to convert it into linen. Should therefore the basis of the equation not be called “Coat = Linen” instead of, as Marx says in 141:1, “Linen = Coat”?*

↓ But Marx adds immediately that there is asymmetry in this equality. Although related, this asymmetry is not identical to the asymmetry discussed in 139:2. When we looked at the individual motivation of the linen weaver, the asymmetry consisted in the fact that the

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linen is a commodity which the linen weaver has produced, about which she has intimate knowledge regarding the labor time, skills, materials, and equipment necessary to produce it, but which she does not need. The coat is a use-value the linen weaver needs. Now, that we are looking at the social value relation sustained by this individual activity, the asymmetry consists in the fact that linen is offered on the market in exchange for coats, i.e., anybody who has a coat can convert it into linen. But the reverse does not hold. It is not sure whether anybody will take the linen weaver up on her offer. Of course the linen weaver wants to turn her linen into a coat, but she cannot do it herself. All she can do is turn coats into linen, therefore she offers to turn coats into linen, in the hope someone will take her up on this offer. Since the linen weaver publicly offers linen in exchange for coats, the tailor does not have to go through the trouble of publicly offering his coat in exchange for linen. All he has to do is privately approach the linen weaver with his coat.

141:2 But these two qualitatively equated commodities do not play the same role. Only the value of the *linen* is expressed, not that of the coat.

64:4/o Aber die zwei qualitativ gleichgesetzten Waren spielen nicht dieselbe Rolle. Nur der Wert der Leinwand wird ausgedrückt.

Both translations say here: It is only the value of the linen that is

expressed. This can be misunderstood to mean: only the

value of the linen, not its use-value.

↑ This may seem surprising because elsewhere Marx says that both relative form of value and equivalent form are expressions of value. But Marx differentiates expression and representation. A representation of value is an expression of value, detached from the specific commodity whose value it expresses. In the equation “20 yards of linen is worth 1 coat,” the linen is privileged because its value is represented in an independent thing outside the linen, in the coat. In the discussion that follows, Marx will show that the equivalent form develops from an independent representation of the value of the linen to an independent representation of value in general.

In our analysis of the linen weaver’s thought processes in 139:6 we had a similar asymmetry. The linen weaver’s offer of linen for coat is in her mind only an expression of the value of the linen, not an expression of the value of the coat. She is simply unable to express the value of the coat because she does not produce coats and therefore does not know the value of the coat. But now the situation is different. Earlier we looked at the *thoughts* of the linen weaver. Now we look at the social relations sustained by the linen weaver’s *actions*.

And how does the linen express its value? | Und wie?

↑ This question signals that we are no longer just accepting what the linen weaver *says* about the value of the linen, but that we are looking what her actions reveal. How can someone witnessing the linen weaver’s offer of linen for a coat see this offer as a representation of the value of the linen but not of the coat?

By relating to the coat as its ‘equivalent’ or the ‘thing exchangeable’ for it.

Durch ihre Beziehung auf den Rock als ihr „Äquivalent“ oder mit ihr „Austauschbares“.

↑ This ability to exchange the coat for linen is a surface relationship, i.e., a social relation between commodities on the market and, through the detour over these commodities, also between the commodity owners. These commodity owners do not share the linen weaver’s need for a coat nor her knowledge about the cost of producing the linen. They only see that coats can, by exchange, be converted into linen.

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↓ It is paradoxical that the linen weaver's offer to exchange 20 yards of linen for 1 coat, which for the linen weaver is the expression of the value of the linen in the use-value of the coat, does *not* signal to other market participants that the linen is value. On the contrary, the linen weaver's offer signals to them that the *coat* is value, since the coat has obtained the magical property of being exchangeable for linen.

On the one hand, the coat counts, in this relation, as the form of existence of value, as the material embodiment of value—for only as such is the coat the same as the linen.

Only indirectly, through the detour over the coat, does the linen weaver's offer also signal that the linen is value:

On the other hand, in this relation it is also revealed, or obtains an independent expression, that the linen itself is value—for only as value can the linen point to the coat as something equivalent with linen or exchangeable for linen.

In diesem Verhältnis gilt der Rock als Existenzform von Wert, als Wertding, denn nur als solches ist er dasselbe wie die Leinwand.

Andrerseits kommt das eigene Wertsein der Leinwand zum Vorschein oder erhält einen selbständigen Ausdruck, denn nur als Wert ist sie auf den Rock als Gleichwertiges oder mit ihr Austauschbares bezüglich.

↑ The word “independent” means here: this expression of the value of linen is no longer chained to the use-value of the linen and buried in the brain of the linen weaver, but has its independent existence, for everyone to see and act upon. And although the expression of the value of the linen goes through a detour, Marx discusses it before discussing the expression of the value of the coat. The expression of the value of the coat will be discussed in the subsection about the Equivalent Form. It is much more dazzling than that of the linen, but it is limited in that only one commodity in society can play the role of being directly exchangeable against all other commodities. By contrast, not only the linen, but also all other commodities can express their values in a general equivalent.

Question 212 (*Fri Sep 10–Mon Sep 13*) What does the linen weaver's offer to exchange linen for coat, tell us about the coat? about the linen? Do not look at the quantities offered but look at it only as the qualitative equation “linen = coat.” [2009fa](#), [2008fa](#), [2008SP](#), [2001fa](#), [1999SP](#), [1998WI](#), [1995WI](#).

The qualitative equation “linen = coat” says therefore two things:

1. The coat is a thing composed of value or, in other words, an embodiment of value (*Wertding*)—it is nothing but value, it is the form in which value exists. It can be used to “buy” linen.
2. Linen is still linen, a physical object—but one which has value. This additional aspect of it has obtained an independent expression in the coat that can be exchanged for linen.

Both coat and linen are values, otherwise the coat could not be exchanged for linen. But only the value of the linen is *represented* (i.e., obtains an independent expression) in the linen weaver's offer to make the exchange, not that of the coat. One can say this enriches the linen and impoverishes the coat. Linen lives a full life, all her inner traits come to fruition. The coat on the other hand only serves as incarnation of value, as the value quasi-material having become actual matter, namely, a coat. It applauds the linen. The linen may be tickled by this applause, but the coat is little more than a claqueur.

We will skip a paragraph with an example from chemistry which seems to depend on antiquated chemical concepts.

[Characteristics of Value-Producing Labor] So far, Marx discussed the messages which the linen weaver sends out when she agrees to accept a coat for her linen. The recipients of these messages are not only the other commodity owners on the market, but also the producers of these commodities. Marx focuses now on the impact of the signals coming from the linen weaver's exchange offer on the *producers*. At the same time, he broadens his view and looks at the combined impact generated by *many* individual market offers, not just that of one linen weaver.

In order to describe this impact, Marx uses *speech* as a metaphor. This speech metaphor already lurked in the formulation "what does this equation say?" in 127:2, and in the formulation "this equation says" in 139:7/o. The commodities *say* something—not only to us but also to everybody else, including the private producers behind their closed doors labeled "no admittance." What are they saying? According to Marx, they say everything which he, as a writer, and we, as the readers, had to unearth through tedious scientific analysis at the beginning of *Capital*.

It is not an accident that the connection between value and labor is drawn only now. Until now, "value" was simply the quasi-physical ingredient of the commodities which made them exchangeable, but it was unclear where value came from. As long as we only look at the sphere of circulation, we can see that the commodities have value, but the relations in circulation alone do not allow us to infer where this value comes from. But if we go beyond the market, and look how the market information enters the production decisions of the private producers, then labor comes into the picture automatically—because ultimately, labor is the only decision variable for the private producers. The producers use the market information in order to decide how much labor to allocate to the production of which use-value. Although the entire subsection has the title "content of the relative form of value," we have only now arrived at the place where Marx discusses the *content* of the relative form of value.

↓ Marx begins with the results of his own analysis of the commodity, and then compares it with what the commodities themselves tell us. This is a somewhat abrupt transition, but this discontinuity should not surprise us, since an immanent transition to labor is not possible as long as one looks at the sphere of circulation alone.

141:3/o If we say that, as values, commodities are merely congealed masses of human labor, our analysis reduces them to the abstraction "value," but does not give them a form of value distinct from their bodily forms.

65:1 Sagen wir: als Werte sind die Waren bloße Gallerten menschlicher Arbeit, so reduziert unsre Analyse dieselben auf die Wertabstraktion, gibt ihnen aber keine von ihren Naturalformen verschiedene Wertform.

↑ If one has followed the earlier analysis, one knows that commodities as values can be reduced to abstract labor, but one does not know the transmission belt through which the practical activity of the commodity owners on the surface of the economy is translated into an organization of production based on abstract labor. This transmission mechanism is implicit in the two aspects of the definition of "form of value" given in (1) and (2) earlier.

But if we listen to the commodities themselves, they not only tell *us* that they are conglomerations of abstract labor, but they also tell this to the private producers and in this way enable the producers to treat them as commodities.

It is otherwise in the value relation of one commodity to another.

Anders im Wertverhältnis einer Ware zur andern.

↓ Marx introduces now the metaphor that, through their interactions on the market, the commodities tell us everything about the nature of value which we know from our scientific

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analysis.

The first commodity's value character steps here forward through its own relationship with the second commodity.

Ihr Wertcharakter tritt hier hervor durch ihre eigene Beziehung zu der andern Ware.

↑ With the formulation that the commodity's value character "steps forward" through its relationship with the other commodities, Marx had the Hegelian concept of *appearance* in mind. The definition of appearance is that *all* properties of the hidden essence (here of value) are reflected in the appearance. From a Critical Realist perspective the goal is more specific: the relationships and interactions on the surface must generate the information and incentives for the producers so that they can treat their products as values, i.e., as containers of abstract labor, and are motivated to do so. In other words, the surface interactions not only make the true character of the underlying relations recognizable to the researcher, but they also force the producers to adhere to these underlying relations of production if they want to compete successfully.

↓ In the next paragraph, Marx shows how it is indicated by the relations of the commodities that the labor which creates the value of the linen does not differ from the labor which creates the value of the coat, i.e., it is human labor in the abstract.

142:1 By setting the coat, for example, as a thing of value equal to the linen, the commodity owners also set the labor embedded in the coat equal to the labor embedded in the linen.

65:2 Indem z.B. der Rock als Wertding der Leinwand gleichgesetzt wird, wird die in ihm steckende Arbeit der in ihr steckenden Arbeit gleichgesetzt.

The "for example" means "for example the coat, but it could also be any other commodity." The Moore-Aveling translation omits it, although it is important here: it indicates that we are no longer talking about the one linen weaver, but we are talking about the aggregate effect of many individual exchanges. Instead of "setting equal" the

Moore-Aveling translation has: "By making the coat the equivalent of the linen, we equate the labor embodied in the former to that in the latter." Fowkes has: "By equating, for example, the coat as a thing of value to the linen, we equate the labor embedded in the coat with the labor embedded in the linen." The "we" in both translations is

unfortunate: the reader must think the "we" is the researcher from the preceding paragraph which started with the words "if we say that." But it is exactly not; rather, Marx is talking here about the actions of the commodity owners, and in German he does not use the word "we."

Question 215 (*Fri Sep 10–Mon Sep 13*) If the linen weaver is willing to give 20 yards of linen for a coat, does she set linen equal to coat or coat equal to linen? [2009fa](#).

↑ If the linen weaver offers linen in exchange for coats, then this is at first only of interest for the producers of *coats*. If they had ever contemplated switching to the production of linen, this is now no longer necessary. They can just continue producing coats and then trade their coats for linen. ↓ One might say, tailoring counts now at the same time as weaving labor, i.e., it counts as that which is common in both kinds of labor, as abstract human labor. It is true, tailoring, which makes the coat, is concrete labor of a different sort than weaving, which makes the linen. But by equating tailoring with weaving, the commodity owners reduce tailoring in fact to what is really equal in the two kinds of labor, namely, that they are both human labor.

Nun ist zwar die Schneiderei, die den Rock macht, eine von der Weberei, die die Leinwand macht, verschiedenartige konkrete Arbeit. Aber die Gleichsetzung mit der Weberei reduziert die Schneiderei tatsächlich auf das in beiden Arbeiten wirklich Gleiche, auf ihren gemeinsamen Charakter menschlicher Arbeit.

↑ When Marx says that tailoring is “in fact” reduced to abstract human labor, he means this in contrast to reducing tailoring “in theory” to abstract human labor. In theory, the act of making coats can always be considered as an expenditure of human labor, just as the act of weaving linen. But only if the linen weaver is willing to exchange linen for coats does this abstraction gain practical relevance. Now the labor making coats counts “in fact” as the incarnation of abstract human labor which can, if the tailor so desires, take the form of linen.

↓ Once coats become the means to acquire linen, then also linen weaving counts as abstract labor because linen can be “sold” for coats.

Through this detour over tailoring they say that weaving too, in so far as it weaves value, has nothing to distinguish it from tailoring, and, consequently, is abstract human labor.

Auf diesem Umweg ist dann gesagt, daß auch die Weberei, sofern sie Wert webt, keine Unterscheidungsmerkmale von der Schneiderei besitzt, also abstrakt menschliche Arbeit ist.

↑ Note again the speech metaphor!

↓ The more indirect way in which linen counts as abstract labor has the advantage that it is generalizable to other commodities, since the coat’s ability to purchase can be extended from only purchasing linen to purchasing other things as well. On the other hand, the coat’s role is not generalizable; although every commodity owner wishes his or her own commodity would play the role of general equivalent, only one commodity overall can be in such a role. This is why Marx looks first at the linen-side of the equation. He will return to the coat-side in 142:2.

Only the expression of different sorts of commodities as equivalents makes the specific character of value-creating labor apparent, by in fact reducing the different kinds of labor embedded in the different kinds of commodities to their common quality of being human labor in general.^{17a}

Nur der Äquivalenzausdruck verschiedenartiger Waren bringt den spezifischen Charakter der wertbildenden Arbeit zum Vorschein, indem er die in den verschiedenartigen Waren steckenden, verschiedenartigen Arbeiten tatsächlich auf ihr Gemeinsames reduziert, auf menschliche Arbeit überhaupt.^{17a}

↑ The above sentence contains another “in fact” because the market relations do those things in fact which our theoretical analysis had explored only theoretically: they reduce all labor to abstract human labor.

↓ The thoughts of Ben Franklin, one of the earliest economists exploring the nature of value, are a simple translation of these exchange relationships into words:

^{17a} Note to the 2nd edition: One of the first economists, after William Petty, to have deciphered the nature of value, is the famous Franklin: “Trade in general being nothing else but the exchange of labor for labor, the value of all things is . . . most justly measured by labor” [Spa36, p. 267]. Franklin is not aware that by measuring the value of everything ‘in labor’ he makes abstraction from any difference in the kinds of labor exchanged—and thus reduces them all to equal human labor. Yet he states this without knowing it. He speaks first of the one ‘labor’, then of another ‘labor’, and finally of ‘labor’, without further qualification, as the substance of value of everything.

^{17a} Note zur 2. Ausgabe. Einer der ersten Ökonomen, der nach William Petty die Natur des Werts durchschaut hat, der berühmte Franklin, sagt: „Da der Handel überhaupt nichts ist als der Austausch einer Arbeit gegen andre Arbeit, wird der Wert aller Dinge am richtigsten geschätzt in Arbeit“ [Spa36, p. 267]. Franklin ist sich nicht bewußt, daß, indem er den Wert aller Dinge „in Arbeit“ schätzt, er von der Verschiedenheit der ausgetauschten Arbeiten abstrahiert—und sie so auf gleiche menschliche Arbeit reduziert. Was er nicht weiß, sagt er jedoch. Er spricht erst von „der einen Arbeit“, dann „von der andren Arbeit“, schließlich von „Arbeit“ ohne weitere Bezeichnung als Substanz des Werts aller Dinge.

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[Value is Congealed Labor, not Living Labor] ↓ We are not yet done showing how the value character of the linen steps forward through its relationship with the coat:

142:2 However, it is not sufficient to express the specific character of the labor which makes up the value of the linen.

Value is not identical to abstract labor itself but it is *congealed* abstract labor, i.e., although it is a social relation, it has the character of a material. This material character of value must also be expressed in the value relations. (The development which follows now is parallel to the earlier 128:3.)

Human labor-power in its fluid state, or human labor, creates value, but is not itself value. It becomes value in its coagulated state, in bodily form.

65:3/o Es genügt indes nicht, den spezifischen Charakter der Arbeit auszudrücken, woraus der Wert der Leinwand besteht.

Menschliche Arbeitskraft im flüssigen Zustand oder menschliche Arbeit bildet Wert, aber ist nicht Wert. Sie wird Wert in geronnenem Zustand, in gegenständlicher Form.

↑ The labor producing the linen could have been used to produce coats, and it could also have been used to produce anything else, but it must always be in a product, since storing the labor as labor is not an option.

In order to express the value of the linen as a congealed mass of human labor, it must be expressed as a “materiality,” a thing, that is different than the linen itself and at the same time common to linen and all other commodities.

Um den Leinwandwert als Gallerie menschlicher Arbeit auszudrücken, muß er als eine „Gegenständlichkeit“ ausgedrückt werden, welche von der Leinwand selbst dinglich verschieden und ihr zugleich mit anderer Ware gemeinsam ist.

The quasi-material character of value must be expressed as well by the relations of the commodities with each other.

The task is already solved.

| Die Aufgabe ist bereits gelöst.

The reader can guess at this point how this is already solved: The quasi-material inside the linen, which makes up the value of the linen and which, as we know, does not intersect with the physical material making up the linen, is represented by an actual physical material which is different from the linen, namely, by the coat. Marx needs more than one paragraph to make this point, i.e., to support his claim that the task has already been solved.

142:3/o In the value relation of the linen, the coat counts as a thing qualitatively equal to the linen, as a thing of the same nature as linen, because it is a value.

66:1 Im Wertverhältnis der Leinwand gilt der Rock als ihr qualitativ Gleisches, als Ding von derselben Natur, weil er ein Wert ist.

↑ This we know already, but in the next ↓ sentence Marx says something new, which needs a proof:

It counts therefore as a thing in which value manifests itself, or which, in its tangible bodily form, represents value.

Er gilt hier daher als ein Ding, worin Wert erscheint oder welches in seiner handgreiflichen Naturalform Wert darstellt.

Marx begins the demonstration of this claim by doubting how it can possibly be the case: Yet the coat itself, the body of the commodity “coat,” is purely a use-value. A coat does not express value any more than does the first piece of linen we come across.

Nun ist zwar der Rock, der Körper der Rockware, ein bloßer Gebrauchswert. Ein Rock drückt ebensowenig Wert aus als das erste beste Stück Leinwand.

↑ In other words, this is again an impasse. ↓ Before resolving this impasse, Marx cannot resist a pun (uniforms are special kinds of coats), which emphasizes again that the coat gets this stature only from society—although once it has this stature, it seems as if it had it by its

own nature:

This proves only that the coat counts for more when inside the value relation with the linen than outside it, just as many a human counts for more when inside a gold-braided uniform than outside it.

↓ After this jocular interruption Marx asks what is the basis on which the coat can be a representation of the value of the linen?

143:1 In the production of the coat, human labor-power, in the shape of tailoring, was in actual fact expended.

↑ The tailor has done two things at the same time: On the one hand he has produced a coat, and on the other he has used up his own labor-power in order to do this. ↓ But the utilization of human labor-power is exactly the definition of abstract human labor.

Consequently, human labor is accumulated | Es ist also menschliche Arbeit in ihm aufgehäuft.

↑ In this last sentence, Marx does not speak about useful but about abstract labor. The useful labor producing the coat is not accumulated but objectified in the coat, i.e., it is a thing of the past, with its traces visible in the use-value of the coat. The abstract labor, by contrast, is accumulated or congealed. It continues to exist in the coat as labor. If one wishes, one can get this labor back out of the coat again: the linen weaver's offer is an opportunity for the tailor to retrieve his abstract labor in a form in which it may be more useful for him, namely in the form of linen instead of coats.

Question 216 (Fri Sep 10–Mon Sep 13) Marx says that abstract labor has been accumulated in the coat. He would never say that concrete labor has been accumulated in the coat. Why not? [2008fa](#).

By virtue of this, the coat is a 'carrier of value', although this property does not show through anywhere, even where the coat is at its most threadbare.

↑ The coat can only be a representation of the value of the linen because the coat itself is value. But this value is invisible. Even the most threadbare coat, which allows one to see the person inside the coat, does not let us see the value inside the coat.

Question 217 (Fri Sep 10–Mon Sep 13) Marx says that the human labor accumulated in the coat is not visible in the coat. Is this not obviously wrong? Everybody who sees a coat knows that it is a product of human labor; this coat would not exist without the human labor that produced it. [2005fa](#).

↓ Despite its invisibility, this value inside the coat is very powerful: it governs the linen's relationship with the coat.

And in the value relation of the linen, the coat counts only under this aspect, counts therefore as embodied value, as incarnation of value.

Dies beweist nur, daß er innerhalb des Wertverhältnisses zur Leinwand mehr bedeutet als außerhalb desselben, wie so mancher Mensch innerhalb eines galonierten Rockes mehr bedeutet als außerhalb desselben.

what is the basis on which the coat can be a

66:2 In der Produktion des Rockes ist tatsächlich, unter der Form der Schneiderei, menschliche Arbeitskraft verausgabt worden.

The tailor has done two things at the same time: On the one hand he has produced a coat, and on the other he has used up his own labor-power in order to do this. ↓ But the utilization of human labor-power is exactly the definition of abstract human labor.

Consequently, human labor is accumulated | Es ist also menschliche Arbeit in ihm aufgehäuft.

Nach dieser Seite hin ist der Rock „Träger von Wert“, obgleich diese seine Eigenschaft selbst durch seine größte Fadenscheinigkeit nicht durchblickt.

The coat can only be a representation of the value of the linen because the coat itself is value. But this value is invisible. Even the most threadbare coat, which allows one to see the person inside the coat, does not let us see the value inside the coat.

Everybody who sees a coat knows that it is a product of human labor; this coat would not exist without the human labor that produced it.

↓ Despite its invisibility, this value inside the coat is very powerful: it governs the linen's relationship with the coat.

Und im Wertverhältnis der Leinwand gilt er nur nach dieser Seite, daher als verkörperter Wert, als Wertkörper.

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↑ Marx refers here to the reducibility of the exchange relations to a quasi-material inside the things exchanged, first introduced in 127:2. Since the exchange relationship between coat and linen is reducible to some immaterial substance inside linen and coat, this immaterial substance (quasi-material) inside the coat is the *only* thing that governs the linen's relationship with the coat. I.e., not only does the linen *see* this invisible quasi-material in the coat, but this is indeed the *only* thing the linen sees in the coat. For the linen, therefore, the coat consists only of value. ↓ With this, the first half of the statement 142:3/o is proved. The next sentence celebrates this achievement.

Despite its buttoned-up appearance, the linen recognizes in the coat a splendid kindred soul, the soul of value.

Trotz seiner zugeknöpften Erscheinung hat die Leinwand in ihm die stammverwandte schöne Wertseele erkannt.

↑ “*Stammverwandt*” is a kinship term which emphasizes that two people come from the same breed. Although the coat is made of wool, coat and linen are “cut from the same cloth,” namely, they are both the expenditure of abstract human labor.

↓ But Marx pushes on to make his next argument. By turning the coat into an expression of the linen's value, the linen turns at the same time the coat into an incarnation of *all* value, i.e., all value looks now like coats. Note that Marx uses now the word “represent” instead of the earlier “express.”

The coat, however, cannot represent value towards the linen unless value, for the latter, at the same time assumes the shape of a coat.

Der Rock kann ihr gegenüber jedoch nicht Wert darstellen, ohne daß für sie gleichzeitig der Wert die Form eines Rockes annimmt.

The “nevertheless” in the Fowkes translation is disastrous.

↑ After the linen has created, in the coat, a representation of its value which is *selbständig*, i.e., stands on its own feet, is no longer attached to the linen but detached, the coat tends to forget that it has obtained its value character from the linen but seems to have value in its own right. This tendency is already present in the Simple form of value but it is almost imperceptible. The tailor cannot go to the shoemaker and say: “the linen weaver is willing to accept this coat and give me linen in exchange, therefore I want you to accept this coat and give me shoes in exchange.” In the Simple form of value it is too obvious that the coat has obtained its value character from the linen and has it only in relation with the linen. But in the further development, after society has proceeded from the Simple equivalent to the General equivalent, it is far less obvious that gold has obtained its value character only from the ordinary commodities, on the contrary, gold seems to be valuable by itself. ↓ The metaphor of a king applies much more strikingly to the general equivalent form than the Simple equivalent form. After all, a king does not become king because one of his subjects treats him or her as king, but because all of his subjects do. This “generic” application of the metaphor of the king will be given a little later, in the section about the Fetish-like character of the commodity, in the footnote to 149:2/o. But let's see what Marx says about kings already now:

An individual, A, for instance, cannot be ‘your majesty’ to another individual, B, unless majesty in B's eyes assumes the physical shape of A, and, moreover, changes facial features, hair and many other things, with every new ‘father of his people’.

So kann sich das Individuum A nicht zum Individuum B als einer Majestät verhalten, ohne daß für A die Majestät zugleich die Leibesgestalt von B annimmt und daher Gesichtszüge, Haare und manches andre noch mit dem jedesmaligen Landesvater wechselt.

↑ If you are in a one-on-one relation with a king, don't look for royal characteristics in his behavior. A king is just a normal human being. His "royalty" comes from the relations in which he is placed, not from his inner qualities. If you are still not convinced, assume the country gets a new king. Suddenly that what seem to be royal shifts from the characteristics of the former king to the characteristics of the new king.

To repeat, Marx uses this metaphor to make one point: the tendency to forget that the value form is a social relation and to consider it an inherent quality, a tendency which is very obvious with gold, this tendency is already present, although in a much more subtle way, with the coat. This tendency arises as soon as some commodity, here linen, has created a representation of its value in a use-value detached from the linen itself.

↑ The use-value of the coat is therefore not only an expression but also a representation of value. ↓ For the linen this means: it has obtained a value form which is different from (and independent of) its bodily form:

143:2 Hence, in the value relation in which the coat is the linen's equivalent, the bodily shape of the coat counts as form of value. The value of the commodity linen is therefore expressed in the physical body of the commodity coat, the value of one in the use-value of the other. As a use-value, the linen is something palpably different from the coat; as value, it is equal to the coat and therefore looks like a coat. Thus the linen acquires a value form different from its bodily form.

↓ Marx punctuates this climax in the argument with a dose of shock therapy for his religious readers:

The value-character of linen is manifested in its equality with the coat, just as the sheep-like nature of christians is manifested in their equality with the lamb of god.

↑ This is the end of the detailed demonstration how the coat as a thing outside the linen represents the value quasi-material of the linen, i.e., of the explanation how the "task is already solved," as Marx had said at the end of **142:2**. The use of the word "appears" is significant here, because this is the Hegelian concept of appearance.

[Commodity Language and its Dialects] ↓ Now Marx concludes the thread about language started at **141:3/o**, by saying once more very clearly that *everything* which our scientific analysis has unearthed about the commodity is reflected in the relations of the commodities themselves:

143:3/o We see, then, that everything our analysis of the value of commodities previously told us is repeated by the linen itself, as soon as it interacts with another commodity, the coat. Only it reveals its thoughts in the only language it is familiar with, the language of commodities.

66:3 Im Wertverhältnis, worin der Rock das Äquivalent der Leinwand bildet, gilt also die Rockform als Wertform. Der Wert der Ware Leinwand wird daher ausgedrückt im Körper der Ware Rock, der Wert einer Ware im Gebrauchswert der andren. Als Gebrauchswert ist die Leinwand ein vom Rock sinnlich verschiednes Ding, als Wert ist sie „Rockgleiches“ und sieht daher aus wie ein Rock. So erhält sie eine von ihrer Naturalform verschiedene Wertform.

Ihr Wertsein erscheint in ihrer Gleichheit mit dem Rock wie die Schafsnatur des Christen in seiner Gleichheit mit dem Lamm Gottes.

66:4/o Man sieht, alles, was uns die Analyse des Warenwerts vorher sagte, sagt die Leinwand selbst, sobald sie in Umgang mit andrer Ware, dem Rock, tritt. Nur verrät sie ihre Gedanken in der ihr allein geläufigen Sprache, der Warenausprache.

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↓ Marx recapitulates the two highlights of the earlier derivation, in order to show how the commodity language differs from our own scientific analysis:

In order to say that its own value has been created by labor in its abstract quality of being human labor, the linen says that the coat, in so far as it counts as the linen's equal, i.e. in so far as it is value, consists of the same labor as the linen does itself.

The first ↑ highlight was the character of value-producing labor, and the second ↓ the representation of congealed abstract labor as a thing.

In order to say that the sublime quasi-material which makes up its value differs from its stiff and starchy existence as a body, it says that value looks like a coat, and therefore that in so far as the linen itself is a value-thing, it and the coat are as alike as two peas.

↑ The commodity relations are therefore considered just as a different language in which to say certain things about value. They are no better or worse, only different than human languages.

Question 218 (*Fri Sep 10–Mon Sep 13*) Take those things which we found out from the analysis of value, and describe how the linen itself tells them to us. Can the coat tell us a similar story? [2005fa](#).

↓ Even among the human languages some are better able to portray value than others.

Let us note, incidentally, that the language of commodities has, in addition to the Hebrew, also plenty of other more or less correct dialects. The German word 'Wertsein' (to be worth), for instance, brings out less strikingly than the Romance verb 'valere', 'valer', 'valoir' that the equating of commodity *B* with commodity *A* is commodity *A*'s own expression of value. Paris vaut bien une messe!

The analytical effort made in *Capital* to understand the commodity is equated here with a translation. The day-to-day languages of the agents are dialects of the commodity language, i.e., they speak this language but do not necessarily understand it.

Um zu sagen, daß die Arbeit in der abstrakten Eigenschaft menschlicher Arbeit ihren eignen Wert bildet, sagt sie, daß der Rock, soweit er ihr gleichgilt, also Wert ist, aus derselben Arbeit besteht wie die Leinwand.

Um zu sagen, daß ihre sublime Wertgenständlichkeit von ihrem steifleinenen Körper verschieden ist, sagt sie, daß Wert aussieht wie ein Rock und daher sie selbst als Wertding dem Rock gleicht wie ein Ei dem andern.

Nebenbei bemerkt, hat auch die Warentsprache, außer dem Hebräischen, noch viele andre mehr oder minder korrekte Mundarten. Das deutsche „Wertsein“ drückt z.B. minder schlagend aus als das romanesche Zeitwort valere, valer, valoir, daß die Gleichsetzung der Ware *B* mit der Ware *A* der eigne Wertausdruck der Ware *A* ist. Paris vaut bien une messe!

Question 219 (*Fri Sep 10–Mon Sep 13*) What does Marx mean by a “correct” dialect?

Question 221 (*Fri Sep 10–Mon Sep 13*) Henry IV compares the trouble of going to mass with the use-value of being the ruler of Paris and hence France. Does this mean that the mass is in the relative form and Paris in the equivalent form? After all, he gives a mass in order to receive Paris, just as the linen weaver gives his linen (relative form) in order to receive a coat (equivalent form).

144:1 By means of the value relation, therefore, the bodily form of commodity *B* becomes the value form of commodity *A*, i.e., the physical body of commodity *B* becomes the mirror which reflects the value of commodity *A*.¹⁸

[Summary] This and the footnote sum up once more the main message of this section, that the value relation is an *expression* of value:

¹⁸ In a certain sense, every human being is in the same situation as a commodity. As he or she neither enters into the world with a mirror in their hand, nor as a Fichtean philosopher who can say 'I am I', a human first mirrors himself in a human. Peter only relates to himself as a human through his relation to another human, Paul, in whom he recognizes his likeness. With this, however, Paul also becomes from head to toe, in his physical form as Paul, the form of appearance of the human species for Peter.

↑ And if someone is still puzzled by this detour, that the expression of the value of the linen goes through turning the coat into an incarnation of value, one should remember that also humans define their identity in their relations with others. By the way, the metaphor with Peter and Paul has its limits because Peter has no part in creating Paul, while the linen plays an active role in making the coat into the mirror of its value.

By entering into a relation with commodity *B* as the embodiment of value, as a materialization of human labor, commodity *A* turns the use-value *B* into the material through which its own value is expressed. The value of commodity *A*, thus expressed in the use-value of commodity *B*, has the form of relative value.

When we interpreted Marx's preliminary reflections about the meaning of the sentence "20 yards of linen are worth 1 coat" as the linen weaver's private deliberations, we already came to the result that for the linen weaver privately, the use-value of the coat is an expression of the value of the linen—because the weaver needs a coat and is willing to give linen in exchange for it. See the Annotations to 139:6. Now we have just derived that in the web of surface relations embracing the linen weaver when she makes her exchanges, the use-value of the coat is an expression of the value of the linen as well. Not because society likes coats, but because the activity of surface agents has created an expression of the value of the linen detached from use-value of the linen. This detached form forgets that it is the value of *linen* and becomes the incarnation of value pure and simple. The coat as a thing, its natural use-value form, doubles up as the material for the value forms of other commodities. The linen weaver's private deliberation has therefore gained a social echo.

67:1 Vermittelst des Wertverhältnisses wird also die Naturalform der Ware *B* zur Wertform der Ware *A* oder der Körper der Ware *B* zum Wertspiegel der Ware *A*.¹⁸

¹⁸ In gewisser Art geht's dem Menschen wie der Ware. Da er weder mit einem Spiegel auf die Welt kommt noch als Fichtescher Philosoph: Ich bin ich, bespiegelt sich der Mensch zuerst in einem andren Menschen. Erst durch die Beziehung auf den Menschen Paul als seinesgleichen bezieht sich der Mensch Peter auf sich selbst als Mensch. Damit gilt ihm aber auch der Paul mit Haut und Haaren, in seiner paulinischen Leiblichkeit, als Erscheinungsform des Genus Mensch.

Indem sich die Ware *A* auf die Ware *B* als Wertkörper bezieht, als Materiatur menschlicher Arbeit, macht sie den Gebrauchswert *B* zum Material ihres eignen Wertausdrucks. Der Wert der Ware *A*, so ausgedrückt im Gebrauchswert der Ware *B*, besitzt die Form des relativen Werts.

Question 223 (Fri Sep 10–Mon Sep 13) How does the social scientist's analysis of the substance of value differ from what the commodities themselves tell us about value? 2004fa, 1997ut, 1996sp.

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Quantitative Determination of the Relative Form of Value Now let us return to the quantitative aspect, which had been disregarded earlier: to what extent is the relative form of value determined quantitatively?

144:2 Every commodity, whose value is to be expressed, is a given quantity of a useful object, for instance, 15 bushels of wheat, or 100 lb. of coffee.

67:2 Jede Ware, deren Wert ausgedrückt werden soll, ist ein Gebrauchsgegenstand von gegebenem Quantum, 15 Scheffel Weizen, 100 Pfd. Kaffee usw.

↑ The phrase “whose value is to be expressed” takes us back to the situation at the very beginning of section 1.3, see 138:1: The linen weaver has produced linen although she personally does not need linen. She needs a form of value in the sense of criterion (2), a form which allows her to take advantage of the labor she has put into the linen.

This was discussed previously, but the earlier discussion is now amended in order to take in the quantitative dimension which had been set aside in 141:1. During the week, the linen weaver produced specific pieces of linen, ↑ each having a size, a color, etc., and ↓ each representing a specific quantity of labor.

This commodity-quantity contains a specific quantity of human labor.

Dieses gegebne Warenquantum enthält ein bestimmtes Quantum menschlicher Arbeit.

↑ The adjective “human” in “human labor” is relevant here. Marx is not talking about the linen weaver’s specific labor but about human labor in the abstract. ↓ If therefore the next sentence says that the value form of the commodity must give credit for each of these portions of her labor, big or small, we must remember that the linen weaver does not get social recognition for her actual labor, but for that labor that is socially necessary to produce the products she brings to market.

The form of value must therefore not only express value itself, but quantitatively determined value, i.e. the magnitude of value.

Die Wertform hat also nicht nur Wert überhaupt, sondern quantitativ bestimmten Wert oder Wertgröße auszudrücken.

Question 224 (Fri Sep 10–Mon Sep 13) Can you give an example in which something is the expression of another thing without being the expression of the quantity of that other thing? 1998WI, 1997ut, 1997WI, 1995WI.

↓ Marx might have said here “this task is already solved” because the surface relationship which is the starting point for the forms of value has a clear quantitative dimension.

In the value relation of commodity A to commodity B, of the linen to the coat, therefore, not only is the commodity-type coat, which counts here as the incarnation of value as such, equated in qualitative terms with the linen, but also a definite quantity of the value-object or equivalent, 1 coat for example, is equated with a definite quantity of linen, such as 20 yards.

Im Wertverhältnis der Ware A zur Ware B, der Leinwand zum Rocke, wird daher die Warenart Rock nicht nur als Wertkörper überhaupt der Leinwand qualitativ gleichgesetzt, sondern einem bestimmten Leinwandquantum, z.B. 20 Ellen Leinwand, ein bestimmtes Quantum des Wertkörpers oder Äquivalents, z.B. 1 Rock.

↑ It is a little unclear what the word “therefore” (*daher*) in this long sentence refers to. The argument cannot be that the value relations have a quantitative dimension because the linen weaver needs a quantitative expression of the value, therefore I assume the argument is: since value-producing labor is quantitatively determined, the value relations on the surface are quantitatively determined as well. It is possible to argue this way: If it didn’t matter to the producers how much work went into each product, then the market participants would

not pay much attention either to the quantities exchanged on the market. Marx nowhere says this, therefore it is not clear whether this is what he meant. ↓ After talking about the value relations which contain the value expression, Marx talks now about this value expression itself:

144:2/o The equation 20 yards of linen = 1 coat, or 20 yards of linen are worth 1 coat, presupposes that 1 coat contains just as much of the substance of value as 20 yards of linen, i.e., that the quantities in which the two commodities are present have cost the same amount of labor or the same quantity of labor-time.

67:3/o Die Gleichung: „20 Ellen Leinwand = 1 Rock oder: 20 Ellen Leinwand sind 1 Rock wert“ setzt voraus, daß in 1 Rock gerade so viel Wertsubstanz steckt als in 20 Ellen Leinwand, daß beide Warenquanta also gleich viel Arbeit kosten oder gleich große Arbeitszeit.

Question 225 (*Fri Sep 10–Mon Sep 13*) Is **144:2/o** the first time Marx says that exchange proportions must be quantitatively proportional to labor-time, or has he said this already earlier?

↑ After having established in the previous paragraph that both the underlying labor process and the value relations are quantitatively determined, his last sentence makes a much stronger assertion: it postulates a quantitative correspondence between socially necessary labor in the production process and the exchange proportions on the surface. That he is making this strong assertion without any supporting arguments seems a little baffling. Perhaps he is guided by the consideration that a form change cannot add or subtract substance, therefore the quantities are preserved. But earlier, in **129:1**, when he tried to transfer the quantity of labor into the quantity of value, he ran into the paradox of the lazy worker and had to correct himself. Also in the present situation, a similar correction is in store for him, since in a capitalist economy the exchange proportions are even in average not proportional to values but to prices of production. Perhaps he is so relaxed about this because he is making the tacit second-order argument that the surface relations can only then be coherent with the process going on in production, instead of interfering with it, if they are also quantitatively a reflection of the underlying quantity of labor.

Before we continue with the argument, just one brief remark about the wording. Marx writes here: “presupposes” because the equation “20 yards of linen = 1 coat” does not mean that the linen weaver decides how much she wants to give for a coat. The assumption is that “20 yards of linen = one coat” are the exchange proportions given by the market. If these are the prevailing market exchange proportions, then there must be linen weavers and tailors who are willing to make this exchange at these terms. Marx picked one of these linen weavers.

One might think here that Marx makes it too easy for himself. He claims quantitative correspondence between exchange proportions on the surface and labor content in production without giving much justification. ↓ However even if this correspondence between surface and underlying relations of production is achieved at one point, it is continually challenged by changes of productivity. Here Marx does his homework: He pays close attention to how such disturbances are reflected on the surface.

But the labor-time necessary for the production of 20 yards of linen or 1 coat varies with every change in the productive power of weaving or tailoring. The influence of

Die zur Produktion von 20 Ellen Leinwand oder 1 Rock notwendige Arbeitszeit wechselt aber mit jedem Wechsel in der Produktivkraft der Weberei oder der Schneiderei.

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such changes on the relative expression of the magnitude of value shall now be investigated in more detail.

I did not translate it as: "change in the productivity of weaver or tailor" because this would have put

Der Einfluß solcher Wechsel auf den relativen Ausdruck der Wertgröße soll nun näher untersucht werden.

an individualistic bent on it: I didn't want it to sound as if the particular weaver or tailor was not

working fast enough.

↑ Perhaps this emphasis on the disturbances comes from the insight that individual surface activity does not create the social relations, but it reproduces them.

The previous discussions of productivity (136:3–137:0) looked at one use-value only. Now (145:1–146:3) Marx discusses the influence of a change in productivity on the *relative* expression of the magnitude of value. He asks whether changes in exchange-value of a commodity reflect changes in productivity. The answer is: yes, but changes in productivity are not unambiguously reflected in relative value changes. The reason is simple: a fall in the productivity of making linen has the same effect on their relative values as a rise in the productivity of making coats. Therefore even in the best of all cases, in which exchange-values are precisely determined by relative value quantities, changes in productivity are not well reflected in the market relations.

We will skip this and go directly to the next subsection.

The Equivalent Form

As the forms of value evolve, the commodity in the relative form of value is able to express its value better and better. As if made visible through an X-ray camera, the hidden relations of production project themselves onto the surface and in this way guide individual activity. Marx used the metaphor that the commodities themselves tell us through their relations what we had to unearth tediously in our scientific investigation of the essence of value. As Hegel said, “essence must appear,” and it does appear.

The commodity in the equivalent form, by contrast, is moving into the opposite direction. The linen weaver's offer gives the value of the coat a form as well. But instead of revealing the essence of value on the surface, this form of value disguises and mystifies the essence of the coat's value. This will be discussed now.

147:1 We have seen: if commodity A (the linen) expresses its value in the use-value of a different commodity B (the coat), it impresses upon the latter a peculiar form of value of its own, namely that of the equivalent.

Fowkes's translation “impresses upon the latter a form of value peculiar to it” is unfortunate. It is a peculiar form of value, but not a

70:1 Man hat gesehn: Indem eine Ware A (die Leinwand) ihren Wert im Gebrauchs-wert einer verschiedenartigen Ware B (dem Rock) ausdrückt, drückt sie letzterer selbst eine eigentümliche Wertform auf, die des Äquivalents.

form of value peculiar to the coat. My “of its own” is an attempt to translate *selbst*: not only the linen has a form of value, but through

the activity of the linen the coat obtains its own form of value too.

↑ Marx had already announced in 139:7/o that the expression of the value of the linen in the coat has two poles, the relative form of value and the equivalent form of value. Then in 141:2 Marx had characterized the equivalent form as follows: the linen weaver's offer turns the coat into a form of existence of value, an embodiment of value (*Wertding*). ↓ In the next

sentence, Marx does not use the word “*Wertding*” but redescribes the action of the linen in such a way that the reader can infer from it what this means for the coat:

The commodity linen manifests its own value-being through the fact that the coat, without having to assume a form of value distinct from its own bodily form, counts as its equal.

Die Leinwandware bringt ihr eignes Wertsein dadurch zum Vorschein, daß ihr der Rock, ohne Annahme einer von seiner Körperform verschiedenen Wertform, gleichgilt.

↑ Being values, coat and linen have an equal substance—the value quasi-material. The linen *expresses* the invisible fact that it and the coat contain an equal substance by offering itself as an equal to the coat in its ordinary existence. (This is what Marx earlier had described as: the coat becomes an embodiment of value.) The important implication for the coat is that the coat does not need to assume a special form in order to be able to refer to the linen as value, but the coat can do this as a coat. The coat does not have to prove that it is socially needed, but it is in the privileged position of being accepted as is:

The linen therefore indeed expresses its own value-being by the direct exchangeability of the coat for linen.

Die Leinwand drückt also in der Tat ihr eignes Wertsein dadurch aus, daß der Rock unmittelbar mit ihr austauschbar ist.

↑ Marx says “indeed” (*in der Tat*) because the equivalent form, the privileged relation in which the coat finds itself, results from the surface activity (the deed) of the linen.

The equivalent form of a commodity is consequently the form of being directly exchangeable with some other commodity.

Die Äquivalentform einer Ware ist folglich die Form ihrer unmittelbaren Austauschbarkeit mit anderer Ware.

In other words, for the linen, coats are like money. Coats will always be accepted in the exchange against linen. If someone offers coats for linen, the linen weaver will not say: “sorry, I don’t need a coat right now, I rather have a bathing suit.”

This is a step towards solving the “riddle of money,” i.e., towards explaining why money is accepted in exchange for everything. This miraculous property of money is a form of value. It does not come from a special value of money which other commodities lack. Rather, the value of the equivalent (money) is of the same nature as the value of any other good. It merely has a different *form*. Money does not receive this form through its own power, but through the activity of all the ordinary commodities.

Question 226 (*Fri Sep 10–Mon Sep 13*) Why is a commodity in the equivalent form directly exchangeable with the commodity in the relative value form? (Also define what it means to be directly exchangeable.) [2007SP](#), [2004fa](#), [2001fa](#), [1998WI](#), [1997ut](#), [1995WI](#).

[Equivalent Form has No Quantitative Determination] There is no need to discuss the *quality* of the equivalent form—it is the natural form of the commodity—therefore Marx immediately goes over to the *quantitative* aspect.

147:2 If one kind of commodity, such as coats, serves as the equivalent of another, such as linen, and coats therefore acquire the characteristic property of being in the form of direct exchangeability with linen, this does not mean that the proportion is given in which the two are exchangeable.

70:2 Wenn eine Warenart, wie Röcke, einer andren Warenart, wie Leinwand, zum Äquivalent dient, Röcke daher die charakteristische Eigenschaft erhalten, sich in unmittelbar austauschbarer Form mit Leinwand zu befinden, so ist damit in keiner Weise die Proportion gegeben, worin Röcke und Leinwand austauschbar sind.

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Fowkes's "provides us with the proportion" (my emphasis) is another instance of a misplaced transposition of Marx's statement

about social facts themselves into a statement about how we are exploring these social facts here.
I.e., although Marx did not

commit the epistemic fallacy, the translation builds it in afterwards.

↑ If the linen weaver offers to exchange 20 yards of linen for a coat, this places the coat into a privileged position. The coat can decide whether it wants to remain coat or whether it wants to turn itself into linen. But this privilege does not allow the coat to decide how much linen it will become.

↓ The linen weaver does not decide this either, but the exchange proportion between coat and linen are a social given ultimately determined by the socially necessary labor in coat and linen:

Since the magnitude of the value of the linen is given, this proportion depends on the magnitude of the value of the coat. Whether the coat is expressed as the equivalent and the linen as relative value, or, inversely, the linen is expressed as equivalent and the coat as relative value, the magnitude of the coat's value is determined, as ever, by the labor-time necessary for its production, therefore it is independent of the form of the coat's value.

Sie hängt, da die Wertgröße der Leinwand gegeben ist, von der Wertgröße der Röcke ab. Ob der Rock als Äquivalent und die Leinwand als relativer Wert oder umgekehrt die Leinwand als Äquivalent und der Rock als relativer Wert ausgedrückt sei, seine Wertgröße bleibt nach wie vor durch die zu seiner Produktion notwendige Arbeitszeit, also unabhängig von seiner Wertform bestimmt.

↑ This allows us to repeat a clarification which was made earlier in the Annotations (see our remarks about the word "presuppose" in 144:2/o and also earlier remarks), but which was not made explicit in Marx's text until here. The Simple form of value, 20 yards of linen is worth 1 coat, is not an expression of the value of the linen because the weaver decides how much linen to give for the coat. It is an expression of the value of the linen because the linen weaver, who knows that the socially determined exchange relation between coat and linen is 20 yards for one coat, is willing to carry out this exchange. What are her alternatives, if the coat is too expensive? She may leave her need or want unfulfilled, or she may try to meet it with other commodities (sweater instead of coat) or, if she can no longer satisfy her needs through the production of linen, she can switch to producing something different than linen. These changes in quantities demanded and supplied will then lead to price changes and ultimately adjust prices so that they become proportional to socially necessary labor times. But Marx assumes here that the individual producers and consumers can only make quantity decisions, they cannot set prices. Marx assumes here, as always in *Capital I*, that all these adjustments have been made and commodities are traded at their values.

Question 227 (Fri Sep 10–Mon Sep 13) In his discussion of the quantitative aspect of the equivalent form in 147:2, Marx considers the magnitude of the value of linen as given. Can this be justified, and if so, how?

↓ But although the value of coats, together with the value of linen, determines this exchange relationship, the quantities which the coat in the equivalent form can fetch are not an expression of the value of the coat:

But when the coats assume the place of the equivalent in the value expression, the magnitude of their values fails to be expressed as

Aber sobald die Warenart Rock im Wertausdruck die Stelle des Äquivalents einnimmt, erhält ihre Wertgröße keinen Ausdruck als

magnitude of value. Rather, coats figure in the value equation merely as specific quantities of a certain thing.

The magnitude of the coat's value is not *expressed* in the equation "20 yards of linen are worth 1 coat" because the linen weaver does not compare the value of the linen with the *value* of the coat. Instead, she bases her trading decision on whether the *use-value* of the coat seems worth the effort she put into making the amount of linen which the market forces her to pay for the coat.

Question 228 (*Fri Sep 10–Mon Sep 13*) *The relationship "20 yards of linen are worth 1 coat" says that 20 yards of linen have the same value as 1 coat, but it says nothing about the value of the coat itself. Right or wrong?* [2009fa](#), [2007fa](#), [2005fa](#), [2004fa](#).

Question 230 (*Fri Sep 10–Mon Sep 13*) *Can it be called a defect of the equivalent form that the magnitude of value of the coat is not expressed when the coat is in the equivalent form, only when the coat is in the relative form?*

The claim that the exchange proportion depends on the value of the coat but is not an expression of the value of the coat needs more clarification. In the next paragraph, Marx deals with a possible objection. The equivalent form of value specifies the quantity of coats: 20 yards of linen are not worth 2 or 5 coats, they are worth 1 coat. And if the value of the coat would fall in half, then they would be worth 2 coats. Does this not mean that the quantity of coats is an expression of the quantity of the value of the coats? Marx gives a two-pronged but rather abstract argument to refute this:

↓ (1) Coats figure in this relationship only as quantities of a certain thing, not as quantities of value:

147:3/o For instance, 40 yards of linen are 'worth'—what? 2 coats. Because coats play here the role of equivalent, i.e., the use-value "coat" counts as the embodiment of value vis-à-vis the linen, a certain number of coats is sufficient to express the value of a given quantity of linen.

↓ (2) The assumption that the quantity of coats in the equation "20 yards of linen is 1 coat" expresses the value of the coat amounts to the assumption, refuted earlier, that a commodity can express its value in its own use-value:

Two coats can therefore express the magnitude of value of 40 yards of linen, but they can never express the magnitude of their own value, the magnitude of the value of coats.

At the end, a very brief remark about the literature.

Because of their superficial reception of this fact—that in the equation of value the equivalent always has the form of a simple quantity of some article, of a use-value—Bailey and many of his predecessors and followers

Wertgröße. Sie figuriert in der Wertgleichung vielmehr nur als bestimmtes Quantum einer Sache.

70:3 Z.B.: 40 Ellen Leinwand sind „wert“—was? 2 Röcke. Weil die Warenart Rock hier die Rolle des Äquivalents spielt, der Gebrauchswert Rock der Leinwand gegenüber als Wertkörper gilt, genügt auch ein bestimmtes Quantum Röcke, um ein bestimmtes Wertquantum Leinwand auszudrücken.

Zwei Röcke können daher die Wertgröße von 40 Ellen Leinwand, aber sie können nie ihre eigene Wertgröße, die Wertgröße von Röcken, ausdrücken.

Die oberflächliche Auffassung dieser Tat sache, daß das Äquivalent in der Wertgleichung stets nur die Form eines einfachen Quotiums einer Sache, eines Gebrauchs wertes, besitzt, hat Bailey, wie viele sei-

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were misled into considering the expression of value as a merely quantitative relation. Rather, the equivalent form of a commodity does not contain any quantitative determination of value at all.

Fowkes translates *vielmehr* with “in fact” here; but Marx has a

secret meaning for “in fact” (*in der Tat*), see the comments to 147:1,

therefore the word “in fact” should be reserved for this meaning only.

The lack of a quantitative determination of value in the equivalent form will come up again when Marx discusses the difference between standard of prices and measure of value.

It can also become practically significant in the following situations:

When e.g. cattle was the general equivalent, the market determined the proportions of all other goods according to the needs of society, but the market did not signal whether or not there were too many cattle produced. This probably did not matter since these societies were such that one could always find uses for cattle.

But in *Grundrisse* Marx tells the story of a medieval village which ended up with not enough food because they found gold and everybody was digging for gold. Under the gold standard, the global scarcity of gold prevented such overproduction (but look at the gold rushes when new gold resources were discovered).

This lack of good market remedies when there is too much or too little money, gave banks such a strong competitive position (they were able to bring the whole economy to its knees just to make a few dollars profit) that they had to be regulated by the state. This regulation led to the gradual replacement of the gold standard by a standard set by monetary policy—something which would not have been possible had the equivalent form contained a quantitative determination of value.

Today we are also witnessing a situation in which Marx’s subtle insight becomes relevant: US economic policy is obviously debasing the US currency, but there is no inflation because the equivalent form of value does not contain a quantitative determination of the value of the dollar.

[Digression: Expression of Magnitude in Relative and Equivalent Form] Marx says that the exchange proportions are determined independent of the forms, that the relative form of value is an (albeit imperfect) *expression* of the magnitude of the value of the linen, and that the equivalent form of value is not an expression of the value of the coat at all. Perhaps it is easier to follow Marx’s argument at this point if we look at a change in the exchange proportion between coat and linen. Assume the value of the linen falls. The linen weaver is using a more efficient method and can produce more linen per hour. Then she should also be willing to offer more linen in exchange for the coat. This is why it is right to say that the exchange proportion is an expression of the magnitude of the value of the linen.

Now assume that for some reason the production of coats requires more labor, although the use-value remains the same. Since the use-value remains the same, the calculation of the linen weaver, who weighs this use-value against the time needed to produce linen, also remains unchanged. This is why it is right to say that the exchange proportion is not an expression of the magnitude of the value of the coat.

But something else happens if the coats require more labor. There will no longer be enough tailors who are willing to give coats away for 20 yards of linen, and therefore the socially given exchange proportion between coats and linen will change: linen weavers

ner Vorgänger und Nachfolger, verleitet, im Wertausdruck ein nur quantitatives Verhältnis zu sehn. Die Äquivalentform einer Ware enthält vielmehr keine quantitative Wertbestimmung.

everywhere will have to pay more linen for a coat. This price change is not due to the linen weaver in any way expressing the magnitude of the value of the coat. It is due to tailors expressing the magnitude of the values of their own products, and it is forced on the linen weaver by the market. Of course, fewer linen weavers will go along with the trade at this less favorable proportion; but the number of linen weavers agreeing to this trade is an expression of the magnitude of the value of linen, not of the magnitude of the value of the coat. This is an attempt to explain the seeming paradox that the exchange proportion agreed to by the linen weaver *depends* on the magnitude of the value of coats, but the linen weaver's agreement is not an *expression* of the magnitude of the value of coats.

[The First Peculiarity of the Equivalent Form] The remainder of the discussion of the equivalent form is structured around three peculiarities of the equivalent form. Marx introduces the first peculiarity without any transition or preparation of the reader:

148:1 The first peculiarity which strikes us when we consider the equivalent form is this, that use-value becomes the form of appearance of its opposite, value.

The first peculiarity is not the most basic, but the most obvious of the three.

148:2 The natural form of the commodity becomes form of value. But, note well, this reversal happens for commodity *B* (coat, or maize, or iron, etc.) only if some arbitrary other commodity *A* (linen etc.) enters into a value relation with it, and this reversal holds only within this relation.

70:4 Die erste Eigentümlichkeit, die bei Betrachtung der Äquivalentform auffällt, ist diese: Gebrauchswert wird zur Erscheinungsform seines Gegenteils, des Werts.

71:1 Die Naturalform der Ware wird zur Wertform. Aber, nota bene, dies Quidproquo ereignet sich für eine Ware *B* (Rock oder Weizen oder Eisen usw.) nur innerhalb des Wertverhältnisses, worin eine beliebige andre Ware *A* (Leinwand etc.) zu ihr tritt, nur innerhalb dieser Beziehung.

↑ It is obvious that the coat acquires the magical ability to turn itself, by exchange, into linen only because the linen weaver has offered to exchange linen for coat. Marx stresses this obvious fact here (after already having taken the trouble, in 142:3/o, of mentioning it without emphasizing it), because in the more developed form of this same social relation on the surface of the economy, the dependence on the activity of the commodity in relative form is no longer obvious. Once the Simple equivalent has become General equivalent, and after the General equivalent has once and for all been amalgamated with one use-value, gold, gold has amazing social powers just because it is gold, because of its use-value. Gold has this social power because society has selected gold as the general equivalent. The ultimate origin of this power, the fact that any equivalent is equivalent only through the initiative of the commodities in the relative form of value, is no longer recognizable. Marx calls this the "solidification of a false semblance" (*Befestigung eines falschen Scheins*), see for instance in the First edition 34:0, where he says that in the Simple equivalent the false semblance has not yet been solidified. "False Semblances" is not an epistemological category, Marx is not talking about correct or incorrect theories, but one might say the surface relations themselves are lying about it where they come from. This is why the agents in a capitalist society cannot get insights into the true nature of their social relations through spontaneous learning. Science is necessary to penetrate these false appearances.

Since a commodity cannot relate to itself as equivalent, and therefore cannot make its own physical skin into the expression of its own value, it must relate to another com-

Da keine Ware sich auf sich selbst als Äquivalent beziehn, also auch nicht ihre eigene Naturalhaut zum Ausdruck ihres eignen Werts machen kann, muß sie sich auf andre

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modity as equivalent, and therefore must make the physical skin of another commodity into its own value form.

↑ Instead of his usual metaphor body versus soul, Marx uses here the different metaphor skin versus muscles and bones. ↓ In the next paragraph, yet another metaphor will be introduced: expressing the value of linen in a coat is analogous to expressing the mass of a sugar-loaf in the iron weights which counterbalance it on a scale.

148:3/o Let us make this clear with the example of a measure which belongs to commodities as material objects, i.e. as use-values. A sugar-loaf, because it is a body, consists of heavy matter and therefore has a weight, but one can neither see this weight nor touch it.

[Analogy of the Sugar Loaf] Marx distinguishes here between “*Schwere*” (translated here with “heavy matter”) and “*Gewicht*” (translated with “weight”). “Heavy matter” is the underlying concept: it is what physicists call “mass.” Masses attract each other. The force with which a body of heavy matter is attracted by the earth is called its “weight.” This weight is a form of appearance of the heavy matter of a body. But in the passage under discussion, “weight” is not only used to denote this form of appearance, but also that what becomes measurable through this form of appearance, namely, the magnitude of the heavy matter of a given body. So far, modern physics agrees with Marx’s intuitions.
We then take various pieces of iron, whose weight has been determined beforehand. The bodily form of the iron, considered for itself, is no more the form of appearance of heavy matter than is the bodily form of the sugarloaf.

↑ We can make sense of this last sentence and the argument to follow if we assume that Marx thinks heavy matter is some kind of chemical ingredient in every material body—similar to phlogiston, an ingredient which some physicists believed represented the heat in the body. Let’s call the ingredient making the bodies heavy “massiton.” Massiton is invisible and cannot be felt from the texture of the body, but other bodies can sense it because they also contain massiton. Iron, regarded in isolation, is just as different from pure massiton as the sugarloaf, regarded in isolation. ↓ But if iron is placed in a weight relation with the sugar loaf, it counts as pure massiton representing the massiton in the sugar loaf. Instead of “pure massiton” Marx uses the phrase “heavy matter pure and simple” (*bloße Schwergestalt*).

↓ The next step in the argument is: If the need arises to “express” the massiton in the sugar-loaf, for instance because one wants to buy the sugar or use it in a recipe and therefore needs to know how much sugar it contains, one places the sugar loaf on a scale and looks how much iron is necessary to counterbalance it—despite the fact that iron, by itself, is no better incarnation of massiton than the sugar-loaf.

Nevertheless, in order to express the sugar-loaf as heavy matter, we place it into a weight relation with the iron. In this relation, the iron counts as a body representing nothing but heavy matter. Quantities of iron

Ware als Äquivalent beziehn oder die Naturalhaut einer andren Ware zu ihrer eignen Wertform machen.

71:2 Dies veranschauliche uns das Beispiel eines Maßes, welches den Warenkörpern als Warenkörpern zukommt, d.h. als Gebrauchswerten. Ein Zuckerhut, weil Körper, ist schwer und hat daher Gewicht, aber man kann keinem Zuckerhut sein Gewicht ansehen oder anfühlen.

Wir nehmen nun verschiedene Stücke Eisen, deren Gewicht vorher bestimmt ist. Die Körperform des Eisens, für sich betrachtet, ist ebensowenig Erscheinungsform der Schwere als die des Zuckerhuts.

Dennoch, um den Zuckerhut als Schwere auszudrücken, setzen wir ihn in ein Gewichtsverhältnis zum Eisen. In diesem Verhältnis gilt das Eisen als ein Körper, der nichts darstellt außer Schwere. Ei-

therefore serve to measure the weight of the sugar and represent, in relation to the sugar-loaf, heavy matter pure and simple, the incarnation of heavy matter.

For this to work, (1) both objects must contain massiton and (2) must enter a relation which allows the massiton in the sugar loaf to interact with the massiton in the iron. ↓ Marx reiterates these two conditions, first (2) then (1):

This part is played by the iron only within this relation, i.e. within the relation into which the sugar, or any other body whose weight is to be found, enters with the iron. If both objects lacked heavy matter, they could not enter into this relation, hence the one could not serve to express the heavy matter of the other.

↓ At the end is Marx's proof that both objects contain massiton: this is shown by their equal quality when placed on a scale.

If we place both of them on the scales, we see in actuality that as heavy matter they are one and the same, and therefore that, taken in the appropriate proportions, they have the same weight.

↑ This is not a full proof. Had Marx been a physicist, he would also have looked for independent confirmation that massiton exists. He made this independent confirmation of the substance of value, when he showed that qua abstract labor all labor processes indeed have something in common. ↓ Next, Marx discusses the analogy between his weight example and the commodities:

Just as the bodily form of the iron, as a measure of weight, represents nothing but heavy matter towards the sugar-loaf, so, in our expression of value, the bodily form of the coat represents nothing but value towards the linen.

↓ After the analogies, Marx also mentions the disanalogies:

149:1 Here, however, the analogy ceases. In the weight expression of the sugar-loaf, the iron represents a natural property common to both bodies, their heavy matter; but in the value expression of the linen, the coat represents a supra-natural property: their value, which is something purely social.

↑ The difference is that massiton is natural while the value quasi-material is social. Remember that “social” not merely means, involving an interaction between different people. The phrase “something purely social” does not mean: arising from the individual dispositions (preferences) of the economic agents, but it arises from the invisible production constraints which bind these people together in a society.

senquanta dienen daher zum Gewichtsmaß des Zuckers und repräsentieren dem Zuckerkörper gegenüber bloße Schweregestalt, Erscheinungsform von Schwere.

Diese Rolle spielt das Eisen nur innerhalb dieses Verhältnisses, worin der Zucker oder irgendein anderer Körper, dessen Gewicht gefunden werden soll, zu ihm tritt. Wären beide Dinge nicht schwer, so könnten sie nicht in dieses Verhältnis treten und das eine daher nicht zum Ausdruck der Schwere des andren dienen.

Werfen wir beide auf die Waagschale, so sehn wir in der Tat, daß sie als Schwere dasselbe, und daher in bestimmter Proportion auch von demselben Gewicht sind.

Wie der Eisenkörper als Gewichtsmaß dem Zuckerhut gegenüber nur Schwere, so vertritt in unsrem Wertausdruck der Rockkörper der Leinwand gegenüber nur Wert.

71:3 Hier hört jedoch die Analogie auf. Das Eisen vertritt im Wertausdruck des Zuckerhuts eine beiden Körpern gemeinsame Natureigenschaft, ihre Schwere, während der Rock im Wertausdruck der Leinwand eine übernatürliche Eigenschaft beider Dinge vertritt: ihren Wert, etwas rein Gesellschaftliches.

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But both value and heaviness are, in Marx's eyes, relative: Just as a coat cannot have value outside a social system which produces many commodities, Marx thinks that material bodies have masses only in relation with each other. The following paragraph from MEGA II/6, p. 32:1, interprets “*Schwere*” as something which is in truth relative, although it is assigned to the solitary body:

If I say for instance that the rock is heavy, I express heaviness as a property which can be attributed to the rock considered in isolation. In fact, however, its heaviness is a bodily property which it only possesses in relation to other bodies. The expression, while not saying anything about this relation, implies it.

Sage ich z.B. der Stein ist schwer, so drücke ich Schwere als eine Eigenschaft aus, die dem Stein isolirt für sich betrachtet, zu kommt. In der That ist aber seine Schwere eine körperliche Eigenschaft, die er nur besitzt im Verhältniß zu andren Körpern. Der Ausdruck, obgleich er nichts von diesem Verhältniß sagt, schließt es ein.

Marx's reasoning was, presumably, that something which has a relative expression (the famous instantaneous action at a distance represented by the Newtonian law of mass attraction), it must itself be relative. This contradicts classical mechanics which deals with autonomous mass points, but it is vindicated in the general theory of relativity, which identifies heavy matter as curvature in space. (This latter theory also explains the other form of appearance of heavy matter overlooked by Marx: mass not only manifests itself in the force of gravity but also in its resistance to acceleration.) Marx's mistake was therefore to interpret the communality of sugar loaf and iron weights as some chemical ingredient instead of their joint embeddedness in higher-dimensional space-time. Bailey's counterexample with a distance, which Marx countered correctly, would have been a better analogy to the relation between sugar-loaf and iron weights than the value relation itself.

Question 234 (*Fri Sep 10–Mon Sep 13*) *Was Marx's physics of the law of gravity wrong, and what does this say about his economics?*

There is another difference between this physics example and the economy, which Marx does not mention here: the law of gravity continues to function whether or not it expresses itself to the humans, while the law of value needs this expression in order to function.

Question 235 (*Fri Sep 10–Mon Sep 13*) *What are the limits of the analogy with the sugar loaf? (Describe this analogy) 2005fa.*

[Social Origin of Equivalent Form Not Visible] ↓ The limits of the analogy with the sugar-loaf give a fitting transition to Marx's next topic: The equivalent form does *not* express that value is something social, the relative form *does* express it.

149:2/o The relative value form of a commodity, of the linen for example, expresses the value-being of the linen as something quite different from its body and bodily properties, namely, for example, as something which looks like a coat. This expression itself indicates that it conceals a social relation. Not so with the equivalent form, in which the body of the commodity itself, here the coat, just as it is in everyday life,

71:4/o Indem die relative Wertform einer Ware, z.B. der Leinwand, ihr Wertsein als etwas von ihrem Körper und seinen Eigenschaften durchaus Unterschiedenes ausdrückt, z.B. als Rockgleiches, deutet dieser Ausdruck selbst an, daß er ein gesellschaftliches Verhältnis verbirgt. Umgekehrt mit der Äquivalentform. Sie besteht ja gerade darin, daß ein Warenkörper, wie der Rock, dies Ding wie es geht und steht, Wert aus-

expresses value—as if its value form were given to it by nature.

↑ When Marx writes here that the expression “conceals” a social relation, this is to be understood in the meaning: the expression is a visible surface relationship behind which an invisible deeper social relation is concealed. The German word “*verbergen*” connotes “contain” as much as “conceal.”

The relative form of value itself gives an indication that it is the expression of a *social* relation, because it relates the linen to a different commodity, coat. Not so the equivalent form. It seems to be a natural property of the coat to be able to “buy” linen. Now one might object and argue: the exchangeability with linen does not seem a natural property of the coat, since the coat has this property only when placed in the value relation with the linen. Against this, Marx has an interesting and sophisticated argument:

Admittedly, this holds good only within the value relation, in which the commodity linen is related to the commodity coat as its equivalent.²¹ However, the properties of a thing do not arise from its relations to other things, they are, rather, merely activated by such relations. The coat, therefore, seems to have its equivalent form—its property of direct exchangeability—just as much from nature as its property of being heavy or its ability to keep us warm.

The fact that the coat does not *always* have its direct exchangeability, but only when it is placed in the value relation, is still compatible with the false interpretation that the coat has its direct exchangeability by *nature*: Even truly natural properties of things, not conferred on the things by society but located in the things themselves, are only then activated, or only then manifest themselves, when the thing is placed in certain relations to other things.

The equivalent form of value is what Marx calls a “determination of reflection.” Being king is also a determination of reflection, and it is surrounded with similar mystifications as the value form:

²¹ Such determinations of reflection are altogether very curious. For instance, one man is king only because other men stand in the relation of subjects to him. They, however, think they are the subjects because he is king.

drückt, also von Natur Wertform besitzt.

Zwar gilt dies nur innerhalb des Wertverhältnisses, worin die Leinwandware auf die Rockware als Äquivalent bezogen ist.²¹ Da aber Eigenschaften eines Dings nicht aus seinem Verhältnis zu andern Dingen entspringen, sich vielmehr in solchem Verhältnis nur betätigen, scheint auch der Rock seine Äquivalentform, seine Eigenschaft unmittelbarer Austauschbarkeit, ebensosehr von Natur zu besitzen wie seine Eigenschaft, schwer zu sein oder warm zu halten.

²¹ Es ist mit solchen Reflexionsbestimmungen überhaupt ein eigenes Ding. Dieser Mensch ist z.B. nur König, weil sich andre Menschen als Untertanen zu ihm verhalten. Sie glauben umgekehrt Untertanen zu sein, weil er König ist.

[Bourgeois Economists about the First Peculiarity] The discussion of the first peculiarity concludes with a critique of bourgeois economists. Their argument is: gold is nothing special, because in earlier times much more profane commodities played the same role. Marx shows that this argument does not prove what it purports to prove, by taking it one step further: the special element is already present in the exchange relation between *any* two commodities.

Hence the mysteriousness of the equivalent form, which only impinges on the crude bourgeois vision of the political economist when it confronts him in its fully developed shape, that of money. He then seeks to ex-

Daher das Rätselhafte der Äquivalentform, das den bürgerlich rohen Blick des politischen Ökonomen erst schlägt, sobald diese Form ihm fertig gegenübertritt im Geld. Dann sucht er den mystischen Charakter

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plain away the mystical character of gold and silver by substituting less dazzling commodities for them and, with ever-renewed satisfaction, reeling off a catalogue of all the inferior commodities which have played the role of the equivalent at one time or another. He does not suspect that even the simplest expression of value, such as 20 yards of linen = 1 coat, already presents us with the riddle of the equivalent form.

von Gold und Silber wegzuerklären, indem er ihnen minder blendende Waren unterschiebt und mit stets erneutem Vergnügen den Katalog all des Warenpöbels ableiert, der seinerzeit die Rolle des Warenäquivalents gespielt hat. Er ahnt nicht, daß schon der einfachste Wertausdruck, wie 20 Ellen Leinwand = 1 Rock, das Rätsel der Äquivalentform zu lösen gibt.

[The Second Peculiarity of the Equivalent Form] The second peculiarity is that concrete labor is the expression of abstract labor.

150:1 The body of the commodity, which serves as the equivalent, always counts as the embodiment of abstract human labor, while it always is the product of some specific useful and concrete labor.

Here Marx opposes “always counts” to “always is.” What does he mean by “counts”? There is a discrepancy between what the commodity is (physically) and what it counts as socially, between its physical existence and what it represents in the value relation. By “counts as the embodiment of abstract human labor,” Marx means: the tailor produces something which can not only be used as a garment, but which can also be exchanged. The tailoring labor makes more than just coats. The following sentence is the dialectical conclusion from the difference and unity of “counts” and “is” (becoming as the unity of being and not being): **This concrete labor therefore becomes the expression of abstract human labor.**

72:1 Der Körper der Ware, die zum Äquivalent dient, gilt stets als Verkörperung abstrakt menschlicher Arbeit und ist stets das Produkt einer bestimmten nützlichen, konkreten Arbeit.

Diese konkrete Arbeit wird also zum Ausdruck abstrakt menschlicher Arbeit.

Next Marx points out the parallelism between commodities and the labor which produces them. Although we saw the peculiarity in the commodities first, this peculiarity of the commodities really stems from the peculiarity of the labors.

If the coat counts as realization of mere abstract human labor, the tailoring actually realized in it counts as the form in which mere abstract human labor realizes itself. In the expression of the value of the linen, the usefulness of tailoring consists, not in making clothes, and thus also people, but in making a physical object which we at once recognize as value, as a congealed quantity of labor, therefore, which is utterly indistinguishable from the labor objectified in the linen. In order to act as such a mirror of value, tailoring itself must reflect nothing other than its abstract quality of being human labor.

Gilt der Rock z.B. als bloße Verwirklichung, so die Schneiderei, die sich tatsächlich in ihm verwirklicht, als bloße Verwirklichungsform abstrakt menschlicher Arbeit. Im Wertausdruck der Leinwand besteht die Nützlichkeit der Schneiderei nicht darin, daß sie Kleider, also auch Leute, sondern daß sie einen Körper macht, dem man es ansieht, daß er Wert ist, also Gallerie von Arbeit, die sich durchaus nicht unterscheidet von der im Leinwandwert vergegenständlichten Arbeit. Um solch einen Wertspiegel zu machen, muß die Schneiderei selbst nichts widerspiegeln außer ihrer abstrakten Eigenschaft, menschliche Arbeit zu sein.

The next paragraph is an important anticipation of the section about the Fetish-like character of the commodity:

150:2 In tailoring, as well as in weaving, human labor-power is expended. Both, therefore, possess the general property of being human labor, and there may be cases, such as the production of value, in which they must be considered only under this aspect.

This translation was inspired by the French: “et dans certain cas ...”

on ne doit les considérer qu'à ce point de vue.”

Marx calls this “not mysterious,” anticipating the question he will ask on p. 164:2 in the section about the fetish-like character of the commodity:

There is nothing mysterious in this.

But this unmysterious fact is expressed in an inverted fashion:

But in the value expression of the commodity the matter is stood on its head. In order to express the fact that weaving, for instance, creates the value of linen through its general property of being human labor rather than in its concrete form as weaving, the concrete labor which produces the equivalent of the linen, namely tailoring, is placed in relation to it as the tangible form in which abstract human labor is actualized.

That under certain circumstances labor counts as abstract labor is *not* mysterious; but that concrete labor becomes the expression of abstract labor, this is mysterious! As in section 4, Marx contrasts that what the commodities say with how they say it:

150:3 The equivalent form therefore possesses a second peculiarity: in it, concrete labor becomes the form of manifestation of its opposite, abstract human labor.

↑ Marx announces only now that the three paragraphs we just read were a discussion of the second peculiarity. ↓ And he immediately rushes on to the third peculiarity.

150:4/o Since, however, this concrete labor, tailoring, counts as merely the expression of homogeneous human labor, it takes the form of equality with other kinds of labor, such as the labor embodied in the linen. Although it is performed privately, like all other commodity-producing labor, it is nevertheless labor in an immediately social form. This is why it represents itself in a product which is directly exchangeable with other commodities.

72:2/o In der Form der Schneiderei wie in der Form der Weberei wird menschliche Arbeitskraft verausgabt. Beide besitzen daher die allgemeine Eigenschaft menschlicher Arbeit und mögen daher in bestimmten Fällen, z.B. bei der Wertproduktion, nur unter diesem Gesichtspunkt in Betracht kommen.

All das ist nicht mysteriös.

Aber im Wertausdruck der Ware wird die Sache verdreht. Um z.B. auszudrücken, daß das Weben nicht in seiner konkreten Form als Weben, sondern in seiner allgemeinen Eigenschaft als menschliche Arbeit den Leinwandwert bildet, wird ihm die Schneiderei, die konkrete Arbeit, die das Leinwand-Äquivalent produziert, gegenübergestellt als die handgreifliche Verwirklichungsform abstrakt menschlicher Arbeit.

73:1 Es ist also eine zweite Eigentümlichkeit der Äquivalentform, daß konkrete Arbeit zur Erscheinungsform ihres Gegenteils, abstrakt menschlicher Arbeit wird.

73:2 Indem aber diese konkrete Arbeit, die Schneiderei, als bloßer Ausdruck unterschiedloser menschlicher Arbeit gilt, besitzt sie die Form der Gleichheit mit anderer Arbeit, der in der Leinwand steckenden Arbeit, und ist daher, obgleich Privatarbeit, wie alle andre, Waren produzierende Arbeit, dennoch Arbeit in unmittelbar gesellschaftlicher Form. Ebendeshalb stellt sie sich dar in einem Produkt, das unmittelbar austauschbar mit andrer Ware ist.

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[The Third Peculiarity of the Equivalent Form] These two sentences have a convoluted grammatical structure. The argument presented is the following:

1. Concrete tailoring labor counts as the expression of abstract (Marx writes here “homogeneous” but this means the same) human labor (this is the second peculiarity).
2. As such abstract labor, tailoring is equal to all other labor and therefore also to the weaving labor.
3. Due to this equality, tailoring is labor in immediately social form, despite the fact that it is done privately. (This is what Marx is going to call the third peculiarity.)
4. (Marx is done with his derivation, but he makes one more step, anchoring a familiar empirical paradox in this third peculiarity:) Therefore the product of the private labor of tailoring, the coat, is directly exchangeable.

The next sentence identifies the third of these steps as the *third peculiarity* of the equivalent form: a privately produced commodity in equivalent form counts as its opposite, directly social labor. The manifestation of this paradox in the higher form of the general equivalent is a “riddle” familiar to everybody in a commodity society (assuming the gold standard): the private labor which produces gold has direct social powers, it is directly exchangeable for all other commodities. It is easy to see that this is peculiar.

Question 238 (*Fri Sep 10–Mon Sep 13*) Write an essay carefully re-stating in your own words the different steps in the derivation of the third from the second peculiarity. [1997WI](#).

It is therefore a third peculiarity of the equivalent form that private labor becomes the form of its opposite, namely labor in immediately social form.

Es ist also eine dritte Eigentümlichkeit der Äquivalentform, daß Privatarbeit zur Form ihres Gegenteils wird, zu Arbeit in unmittelbar gesellschaftlicher Form.

Question 239 (*Fri Sep 10–Mon Sep 13*) Repeat in your own words the three peculiarities of the equivalent form. [2007fa](#), [2004fa](#), [2001fa](#), [1998WI](#), [1997sp](#), [1996sp](#).

[Aristotle's Analysis of the Form of Value] In order to clarify the second and third peculiarities, Marx discusses next how Aristotle analyzed the form of value:

151:1 The two peculiarities of the equivalent form just developed here will become easier to grasp if we go back to that great researcher who was the first to analyse the value form, like so many other forms of thought, society and nature. I mean Aristotle.

73:3 Die beiden zuletzt entwickelten Eigentümlichkeiten der Äquivalentform werden noch faßbarer, wenn wir zu dem großen Forscher zurückgehn, der die Wertform, wie so viele Denkformen, Gesellschaftsformen und Naturformen zuerst analysiert hat. Es ist dies Aristoteles.

Moore and Aveling translate

“Forscher” as “thinker,” Fowkes as “investigator.”

↓ Unlike Marx, Aristotle begins with a money relationship, i.e., using Marx’s example, a relationship of the form “20 yards of linen are worth 2 Pounds Sterling.” But Aristotle’s first observation is that this is essentially the same as “20 yards of linen are worth 1 coat.”

151:2 In the first place, Aristotle states quite clearly that the Money form of the commodity is only a further development of the Simple form of value, i.e. of the expression of the value of a commodity in some other arbitrarily chosen commodity, for he says:

“5 beds = 1 house”

(“Κλίναι πέντε ἀντὶ οἰκίας”)

“does not differ” from

“5 beds = a certain amount of money.”

(“Κλίναι πέντε ἀντὶ ...

ὅσου ἀι πέντε κλίναι”)

73:4 Zunächst spricht Aristoteles klar aus, daß die Geldform der Ware nur die weiter entwickelte Gestalt der einfachen Wertform ist, d.h. des Ausdrucks des Werts einer Ware in irgendeiner beliebigen andren Ware, denn er sagt:

„5 Polster = 1 Haus“

(„Κλίναι πέντε ἀντὶ οἰκίας“)

„unterscheidet sich nicht“ von:

„5 Polster = soundso viel Geld“

(„Κλίναι πέντε ἀντὶ ...

ὅσου αι πέντε κλίναι“)

By the way, the Aristotle quotations in this paragraph can be found in [Ari26, Bk. V, Ch. 5, pp. 287–9]. ¶ In the next paragraph, Marx makes his usual distinction between the value expression, and the value relation in which this expression is contained. The value relation is a social relation, used by individuals to express the values of their goods.

151:3 He further sees that the value relation, in which this expression of value is embedded, requires that the house is qualitatively equated with the bed, and that these things, which are different physical objects, could not be related to each other as commensurable magnitudes if they were not equal in essence. ‘There can be no exchange,’ he says, ‘without equality, and no equality without commensurability’ (“οὗτοι ισότης μὴ οὐσικῆς συμμετρίας”).

73:5 Er sieht ferner ein, daß das Wertverhältnis, worin dieser Wertausdruck steckt, seinerseits bedingt, daß das Haus dem Polster qualitativ gleichgesetzt wird und daß diese sinnlich verschiedenen Dinge ohne solche Wesensgleichheit nicht als kommensurable Größen aufeinander beziehbar wären. „Der Austausch“, sagt er, „kann nicht sein ohne die Gleichheit, die Gleichheit aber nicht ohne die Kommensurabilität“ („οὗτοι ισότης μὴ οὐσικῆς συμμετρίας“).

¶ Aristotle’s last sentence can perhaps be understood better if one knows that the greek word for “equal” used here is at the same time the word for “fair.” Aristotle argued therefore: exchange requires fairness, and fairness can only be achieved if the exchanged goods are commensurable, i.e., can be measured with the same measure.

Question 241 (Fri Sep 10–Mon Sep 13) Didn’t Aristotle get it wrong when he wrote: “There can be no exchange without equality, and no equality without commensurability”? This sounds as if things must first be commensurable in order to be equal. Isn’t commensurability an implication of equality, instead of a condition for equality?

Question 242 (Fri Sep 10–Mon Sep 13) Aristotle wrote: ‘There can be no exchange without equality, and no equality without commensurability.’ What does he mean by this? What is the difference between equality and commensurability? [2007SP](#), [2005fa](#).

So far, Aristotle’s analysis is amazingly close to Marx’s. ¶ But Aristotle does not make the next step:

Here, however, he falters, and abandons the further analysis of the form of value. ‘It is, however, in reality impossible (“τῇ μὲν οὖν ἀληθείᾳ ἀδύνατον”), that such unlike things are commensurable,’ i.e. qualitatively equal.

Hier aber stutzt er und gibt die weitere Analyse der Wertform auf. „Es ist aber in Wahrheit unmöglich („τῇ μὲν οὖν ἀληθείᾳ ἀδύνατον“), daß so verschiedenartige Dinge kommensurabel“, d.h. qualitativ gleich sei-

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Their being set equal must be something foreign to the true nature of these things, a mere ‘makeshift for practical purposes’.

By the way, Michael Eldred in <http://www.webcom.com/artefact/untplcl/exchvljs.html>, which is my source for the meaning of equality as fairness, translates Aristotle differently, and finds a utility theory of value in Aristotle. He translates the above sentence with “In truth, however, it is impossible that things so different could become commensurable, but with respect to use this is sufficiently possible.” “with respect to use” means here: that what is equal in the commodities is that both are useful.

Question 243 (*Fri Sep 10–Mon Sep 13*) This question is for those who know Classic Greek: Is Eldred’s translation of Aristotle correct, I.e., did Marx mis-translate Aristotle in 151:3?

Question 244 (*Fri Sep 10–Mon Sep 13*) Which two steps in the analysis of value did Aristotle make correctly, and which step did he not make? 2002fa, 2001fa.

Next, Marx uses Aristotle’s answer itself to infer the reason why Aristotle did not make the third step:

151:4 Aristotle therefore himself tells us what prevented him from carrying his analysis to the end: the lack of a concept of value.

Marx’s argument consists of two steps. (1) the only thing that can be equal in commodities is labor; (2a) if therefore Aristotle says commodities have nothing in common, (2b) he indicates that labor is not equal. I split the second step into two halves, because Marx first brings step (2a), then (1), then (2b). ↓ Here is (2a):

What is the equal something, i.e. the common substance, which the house represents for the bed in the expression of the value of the bed? Such a thing, ‘in truth, cannot exist’, says Aristotle. Why?

↓ In order to understand why Aristotle says this, Marx recapitulates now how we, ourselves, came to the opposite conclusion. This is step (1):

The house represents for the bed something equal, in so far as it represents what is indeed equal in both, in bed and house. And that is—human labor.

The three occurrences of “represent” in the above passage, is the translation of *vorstellt* and not the usual *darstellt*. Why does Marx use a different word here?

en. Diese Gleichsetzung kann nur etwas der wahren Natur der Dinge Fremdes sein, also nur „Notbehelf für das praktische Bedürfnis“.

74:1 Aristoteles sagt uns also selbst, woran seine weitere Analyse scheitert, nämlich am Mangel des Wertbegriffs.

Was ist das Gleiche, d.h. die gemeinschaftliche Substanz, die das Haus für den Polster im Wertausdruck des Polsters vorstellt? So etwas kann „in Wahrheit nicht existieren“, sagt Aristoteles. Warum?

Das Haus stellt dem Polster gegenüber ein Gleiches vor, soweit es das in beiden, dem Polster und dem Haus, wirklich Gleiche vorstellt. Und das ist—menschliche Arbeit.

Because in Ancient Greece, the equality between bed and house on the market was *not* the surface representation of an underlying equality in production. Production

was not based on the equality of labor. The surface agents acted as if bed and house were equal without them being equal. It was an imagined equality.

↑ We are arguing from the vantage point of a society in which exchange relations are ubiquitous. Markets are not isolated or peripheral phenomena, but markets are central. In other words, the individual market agents equate their products all the time. They can only do this if there is in fact something equal in the different commodities, and when we looked for this equal thing we found something, namely, all commodities are products of the expenditure of human labor-power. ↓ Aristotle, on the other hand, could not make this inference,

since at his time, labor was not equal (and, not coincidentally, markets played a much less central role in the economy than they do today).

Question 245 (*Fri Sep 10–Mon Sep 13*) Marx says: *The house represents something equal to the bed, in so far as it represents what is really equal, both in the bed and the house. Isn't this a tautology?*

151:5/o However, Aristotle could not infer, from inspecting the form of value itself, that in the form of commodity-values, all labor is expressed as equal human labor and therefore as labor of equal validity—because Greek society was founded on the labor of slaves, hence had as its natural basis the inequality of men and of their labor-powers.

74:2 Daß aber in der Form der Warenwerte alle Arbeiten als gleiche menschliche Arbeit und daher als gleichgeltend ausgedrückt sind, konnte Aristoteles nicht aus der Wertform selbst herauslesen, weil die griechische Gesellschaft auf der Sklavenarbeit beruhte, daher die Ungleichheit der Menschen und ihrer Arbeitskräfte zur Naturbasis hatte.

Question 246 (*Fri Sep 10–Mon Sep 13*) Why does Marx use the strong formulation that Aristotle was unable to see that the social basis for the exchange of commodities lies in the fact that they all contain the common substance 'labor'? Perhaps this was difficult to see, but was it really impossible? [1997ut](#), [1997sp](#), [1997WI](#), [1996ut](#), [1995WI](#).

Question 247 (*Fri Sep 10–Mon Sep 13*) Labor was not equal in Ancient Greece—how could the Greeks then exchange? [2005fa](#), [1998WI](#), [1995WI](#).

Now Marx draws his lessons from this example—some sweeping conclusions:

The secret of the expression of value, namely the equality and equal validity of all kinds of labor because and in so far as they are human labor in general, could not be deciphered until the concept of human equality had already acquired the fixity of a commonly held prejudice. This however becomes possible only in a society where the commodity form is the universal form of the product of labor, hence the dominant social relation is the relation between men as possessors of commodities. Aristotle's genius is displayed precisely by his discovery of a relation of equality in the value-expression of commodities. Only the historical limitation inherent in the society in which he lived prevented him from finding out what 'in reality' this relation of equality consisted of.

Das Geheimnis des Wertausdrucks, die Gleichheit und gleiche Gültigkeit aller Arbeiten, weil und insofern sie menschliche Arbeit überhaupt sind, kann nur entziffert werden, sobald der Begriff der menschlichen Gleichheit bereits die Festigkeit eines Volksvorurteils besitzt. Das ist aber erst möglich in einer Gesellschaft, worin die Warenform die allgemeine Form des Arbeitsprodukts, also auch das Verhältnis der Menschen zueinander als Warenbesitzer das herrschende gesellschaftliche Verhältnis ist. Das Genie des Aristoteles glänzt gerade darin, daß er im Wertausdruck der Waren ein Gleichheitsverhältnis entdeckt. Nur die historische Schranke der Gesellschaft, worin er lebte, verhindert ihn herauszufinden, worin denn „in Wahrheit“ dies Gleichheitsverhältnis besteht.

Question 248 (*Fri Sep 10–Mon Sep 13*) Isn't it true that humans are equal? Why does Marx compare the concept of human equality with a "commonly held prejudice?"

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The Simple Form of Value Considered as a Whole

After having separated the Simple form of value into its two poles Relative and Equivalent form, and looked separately at their qualitative and quantitative aspects, Marx puts now all the pieces back together and looks at the deeper insights which this analytical exercise gave us about the whole.

152:1 The simple value form of a commodity is contained in its value relation with a commodity of a different kind, or in its exchange relation with the latter.

↑ It is new and significant that Marx says “value relation *or* exchange relation.” The value relation comes from production: both commodities contain abstract human labor in equal amounts (i.e., equal socially necessary labor-time). The exchange relation is on the surface. It is the result of our tedious analysis that the value relation is mirrored and represented by an exchange relation. ↓ After naming this result (in such a way that it is even hard to see that it is a result), Marx develops this result in more detail:

The value of commodity A is qualitatively expressed by the direct exchangeability of commodity B with commodity A. It is quantitatively expressed by the exchangeability of a specific quantity of commodity B with the given quantity of commodity A.

74:3/o Die einfache Wertform einer Ware ist enthalten in ihrem Wertverhältnis zu einer verschiedenartigen Ware oder im Austauschverhältnis mit derselben.

Der Wert der Ware A wird qualitativ ausgedrückt durch die unmittelbare Austauschbarkeit der Ware B mit der Ware A. Er wird quantitativ ausgedrückt durch die Austauschbarkeit eines bestimmten Quantums der Ware B mit dem gegebenen Quantum der Ware A.

In the first edition at this point, 638:2/o, Marx also said something about the equivalent form: “Regarding … the commodity functioning as *equivalent*, it counts for other commodity as the *embodiment of value*, as an article in *directly exchangeable form*—as *exchange-value*.” Presumably, this mention of the equivalent form was inadvertently omitted in the rewriting and re-arranging between first and second editions.

↓ The common element which emerged in each of these particular investigations was therefore that the expression of value leads to a relation of exchangeability—exchange-value.

In other words, the value of a commodity is independently expressed through its representation as ‘exchange-value’.

In andren Worten: Der Wert einer Ware ist selbständig ausgedrückt durch seine Darstellung als „Tauschwert“.

↑ “Independently” means here: independently of its own use-value. The power of commodity B to purchase A is an expression of the *value* of A which is independent of its use-value (the linen weaver’s offer to give linen for coat has nothing to do with the use-value of linen). Note that Marx used here “representation” just as in 143:1.

Question 249 (*Fri Sep 10–Mon Sep 13*) I just wrote: “The power of commodity B to purchase A is an expression of the value of A.” Shouldn’t it rather be: “The power of commodity B to purchase A is an expression of the value of B”?

↑ This seems a little anticlimactic because exchange-value is exactly where we started from. But this circular path was not in vain. We learned a lot from it. ↓ One thing we learned (or re-confirmed, Marx already said this already in 127:1,) is that the exchange value is not located inside the commodity, although the value is:

When at the beginning of this chapter we said, in common parlance, that a commod-

Wenn es im Eingang dieses Kapitels in der gang und gäben Manier hieß: Die Ware

ity is a use-value and an exchange-value, we were, strictly speaking, wrong. A commodity is a use-value or object of utility, and a “value.” It represents itself as this twofold thing, that it is, as soon as its value assumes its own, from the bodily form of the commodity different form of appearance, that of exchange-value.

Marx discusses this also in his *Notes on Wagner*, [mecw24]544:6/o.

The main point Marx makes here is the following: instead of saying “the commodity is useful thing and exchange-value” one should rather say: “the commodity *is* useful thing and value, and in relation with other commodities it *has* exchange-value.” Marx distinguishes here clearly between that what is inside the commodity, (namely labor, which gives it its value) and what others carry to the commodity (the market participants are willing to accept the commodity in exchange, thus giving it exchange-value, because of the labor embodied in it).

The commodity never has this form when looked at in isolation, but only when it is in a value relation or exchange relation with a second commodity of a different kind.

I.e., the coat is in the equivalent form of value only if the linen weaver has just announced that she is willing to accept linen for a coat.

Once we know this, our manner of speaking does no harm; it serves, rather, as an abbreviation.

ist Gebrauchswert und Tauschwert, so war dies, genau gesprochen, falsch. Die Ware ist Gebrauchswert oder Gebrauchsgegenstand und „Wert“. Sie stellt sich dar als dies Doppelte, was sie ist, sobald ihr Wert eine eigne, von ihrer Naturalform verschiedene Erscheinungsform besitzt, die des Tauschwerts, ...

... und sie besitzt diese Form niemals isoliert betrachtet, sondern stets nur im Wert- oder Austauschverhältnis zu einer zweiten, verschiedenartigen Ware.

Weiß man das jedoch einmal, so tut jene Sprechweise keinen Harm, sondern dient zur Abkürzung.

Question 250 (Fri Sep 10–Mon Sep 13) Why is it wrong to say that the commodity is use-value and exchange-value? [2009fa](#), [2008fa](#), [2005fa](#).

↓ Our arrival back at exchange-value when we were looking for the forms of value also tells us about the relationship between value and exchange-value. This is one of the central insights of the whole development of the Simple form of value:

152:2/o Our analysis proved that the value form or the expression of the value of the commodity springs from the nature of commodity value, instead of value and magnitude of value springing from their mode of expression as exchange-value.

In the First Edition, the transitional paragraph 43:4 between sections 1.3 and 1.4 reiterates that this is one of the central findings of this section.

75:1 Unsere Analyse bewies, daß die Wertform oder der Wertausdruck der Ware aus der Natur des Warenwerts entspringt, nicht umgekehrt Wert und Wertgröße aus ihrer Ausdrucksweise als Tauschwert.

Question 251 (Fri Sep 10–Mon Sep 13) Did Marx prove that exchange-value springs from the nature of commodity value, instead of value and magnitude of value deriving from exchange-value? If so, describe how this proof proceeded. [1997sp](#).

Our arrival at the climax of subsection 1.3.A is celebrated by a fanfare consisting of three parts. First a humorous introduction taking up the remainder of paragraph 152:2/o, which makes fun of mainstream economics. Then follow two solemn paragraphs, one connecting the Simple form of value with the contradiction between use-value and value, and the other

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connecting it with the commodity form of the product. Both are insights into the big connections which we earned by our patient working through the minutiae of the Simple form of value.

We will skip this humorous introduction and go immediately to the next paragraph, which explains that this is how society processes its internal contradictions:

153:1 Our closer scrutiny of the expression of the value of commodity *A* contained in the value relation of *A* to *B* has shown that within that relation the natural form of commodity *A* counts only as a thing of use-value, while the natural form of *B* figures only as form of value, or a thing of value. The internal opposition between use-value and value, hidden within the commodity, is therefore presented by an external opposition, i.e. by a relation between two commodities such that the one commodity, that whose value is to be expressed, counts immediately only as a use-value, whereas the other commodity, in which that value is expressed, counts immediately only as exchange-value. Hence the Simple form of value of a commodity is the simple form of appearance of the opposition between use-value and value contained within the commodity.

↑ The development of this opposition in the more developed forms of value is the subject of 160:4.

Question 252 (Fri Sep 10–Mon Sep 13) In 153:1, Marx says that the commodity whose value is to be expressed, counts immediately only as a use-value, and the commodity in which that value is expressed, counts immediately only as exchange-value. Isn't it just the opposite? The linen, whose value is to be expressed, counts for the linen weaver as exchange-value, and the coat, in which the value of the linen is expressed, counts for the linen weaver as use-value. 2004fa

The next paragraph places this central result in world history:

153:2/o The product of labor is an object of utility in all states of society; but only during a historically specific epoch of development, in which the labor expended in the production of a useful article is represented as a 'bodily' property of that article, namely, its value, is the product of labor turned into a commodity.

In this long sentence, Marx says (without putting sufficient emphasis on it) that the historical conversion of the product of labor into a commodity is driven by the exchange. First, people exchange their goods, and then they modify their production relations in order to

75:2/o Die nähere Betrachtung des im Wertverhältnis zur Ware *B* enthaltenen Wertausdrucks der Ware *A* hat gezeigt, daß innerhalb desselben die Naturalform der Ware *A* nur als Gestalt von Gebrauchswert, die Naturalform der Ware *B* nur als Wertform oder Wertgestalt gilt. Der in der Ware eingehüllte innere Gegensatz von Gebrauchswert und Wert wird also dargestellt durch einen äußeren Gegensatz, d.h. durch das Verhältnis zweier Waren, worin die eine Ware, *deren* Wert ausgedrückt werden soll, unmittelbar nur als Gebrauchswert, die andre Ware hingegen, *worin* Wert ausgedrückt wird, unmittelbar nur als Tauschwert gilt. Die einfache Wertform einer Ware ist also die einfache Erscheinungsform des in ihr enthaltenen Gegensatzes von Gebrauchswert und Wert.

76:1 Das Arbeitsprodukt ist in allen gesellschaftlichen Zuständen Gebrauchsgegenstand, aber nur eine historisch bestimmte Entwicklungsepoke, welche die in der Produktion eines Gebrauchsding verausgabte Arbeit als seine „gegenständliche“ Eigenschaft darstellt, d.h. als seinen Wert, verwandelt das Arbeitsprodukt in Ware.

produce for the exchange. I.e., those relations on the surface, which the whole section 3 has identified as the form of value, historically precede and stimulate the creation of that of which they are the form. Marx says something related also in 166:2/o. From this follows Marx's next conclusion:

It therefore follows that the Simple value form of the commodity is at the same time the simple commodity form of the product of labor, and also that the development of the commodity form coincides with the development of the value form.

Fowkes writes here: "It therefore follows that the simple form of value of the commodity is at the same time the simple form of

value of the product of labour," ... This seems to be a simple typo, presumably Fowkes meant to write: "It therefore follows that the

Es folgt daher, daß die einfache Wertform der Ware zugleich die einfache Warenform des Arbeitsprodukts ist, daß also auch die Entwicklung der Warenform mit der Entwicklung der Wertform zusammenfällt.

simple form of value of the commodity is at the same time the simple *commodity form* of the product of labour."

The Moore-Aveling translation is very good here; it is clearer than the German and seems inspired by the French edition: "It therefore follows that the elementary value form is also the primitive form under which a product of labor appears historically as a commodity, and that the gradual transformation of such products into commodities proceeds pari passu with the development of the value form."

Question 254 (*Fri Sep 10–Mon Sep 13*) *Why does the development of the commodity form of the product coincide historically with development of the form of value? I.e., why did history not proceed in such a way that the products of labor first developed into commodities and then, after some time lag, the form of value of these commodities went through its own development?* [2005fa](#), [1997sp](#), [1997WI](#).

Question 255 (*Fri Sep 10–Mon Sep 13*) *In a number of places in Capital Marx refers to the commodity form of the product and the value form of the commodity almost as if they were one and the same thing. Find those places.*

Question 256 (*Fri Sep 10–Mon Sep 13*) Derek Sayer, in [[Say79](#), p. 19/20], writes: "Commodity form and value-form are in fact not synonymous, though Marx frequently elides the two terms. The value-form is, strictly speaking, only one aspect of the commodity form, the other being use-value. But the elision is quite comprehensible because the problem of explaining the commodity form ultimately resolves itself into one of explaining the value form. Use-value, as an attribute of the product of labor under all conditions, cannot be used to explain that which differentiates the commodity form, whereas exchange-value expresses exactly this differentia specifica." Comment.

After this pause and celebration, Marx rushes on in the argument. After recognizing, in 152:2/o, that the exchange relations of commodities are an expression of their value (and thus rightly deserve the name "forms of value") we are also able to see the insufficiencies, defects, of this expression in satisfying criterion (1).

154:1 One sees right away the insufficiency of the Simple form of value, of this embryonic form which must undergo a series of metamorphoses before ripening into the price form.

76:2 Der erste Blick zeigt das Unzulängliche der einfachen Wertform, dieser Keimform, die erst durch eine Reihe von Metamorphosen zur Preisform heranreift.

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↑ Right after announcing a discussion of the insufficiencies or defects of the Simple form of value, Marx remarks about the ripening of these forms—because the defects will be remedied in the “riper” forms.

↓ Marx does not simply say that the expression as a whole is defective, but he finds a defect in the relative form of value, and then shows its companion defect in the equivalent form of value.

154:2 The expression of the value of commodity *A* in terms of some arbitrary other commodity *B* merely distinguishes the value of *A* from the use-value of *A*, and therefore also only places *A* in an exchange relation with one particular different kind of commodity, instead of representing *A*'s qualitative equality with all other commodities and its quantitative proportionality to them.

↑ By expressing the value of a commodity in the use-value of a different commodity, the Simple form of value represents value as something that is different from its use-value, but not as something that is qualitatively equal for all commodities. This is a serious defect. The decisions of the linen weaver to accept coats, of the butcher to accept bread, etc., do not resonate with each other.

↓ On the side of the equivalent, this same defect shows itself in the fact that the coat is directly exchangeable only with the linen, not with other commodities. I.e., the coat is a poor incarnation of value.

To the Simple relative form of value of a commodity there corresponds the Isolated equivalent form of another commodity. Thus, in the relative expression of value of the linen, the coat possesses the form of equivalent, the form of direct exchangeability, only in relation to this one kind of commodity, the linen.

76:3 Der Ausdruck in irgendwelcher Ware *B* unterscheidet den Wert der Ware *A* nur von ihrem eignen Gebrauchswert und setzt sie daher auch nur in ein Austauschverhältnis zu irgendeiner einzelnen von ihr selbst verschiedenen Warenart, statt ihre qualitative Gleichheit und quantitative Proportionalität mit allen andren Waren darzustellen.

Der einfachen relativen Wertform einer Ware entspricht die einzelne Äquivalentform einer andren Ware. So besitzt der Rock, im relativen Wertausdruck der Leinwand, nur Äquivalentform oder Form unmittelbarer Austauschbarkeit mit Bezug auf diese einzelne Warenart Leinwand.

Question 257 (Fri Sep 10–Mon Sep 13) When Marx talks about the “defects” of the Simple form of value, in what respect are they defects? [2007fa](#), [1998WI](#).

↓ Although the transition from Simple to Expanded form of value remedies the just-mentioned defect, this defect is not the driving force behind the transition. Rather, the transition occurs spontaneously, “by itself.” We will see shortly that the transitions from the Expanded to the General form of value, or from the General form of value to the Money form, are no longer spontaneous but require deliberate social acts.

154:3 However, the Simple form of value passes by itself into a more complete form.

76:4 Indes geht die einzelne Wertform von selbst in eine vollständigere Form über.

↑ Although Marx says here that the Expanded form of value is *more* complete than the Simple form, he will say in [156:2/o](#) that the Expanded form, too, is incomplete.

↓ The possibility of a remedy can be teased out of the defect of the Simple form of value in the following way: It is a defect that value is expressed in only one arbitrary commodity. This arbitrariness contains the key to transcending this defect. It does not matter which kind

the second commodity is, therefore many expressions of the value of each commodity are possible.

Although this Simple form expresses the value of a commodity *A* in only one commodity of another kind, it is a matter of complete indifference what this second commodity is, whether it is a coat, iron, corn, etc.

↓ In the next sentence, Marx states that the theoretical possibility of multiple equivalents becomes a reality, without giving reasons why this must be so. But such a reason can be supplied easily, and 157:3 can serve as a hint: although each commodity producer specializes on producing a limited range of use-values, he or she needs many different use-values. Each linen weaver on the market is therefore likely to have a shopping list: she not only needs a coat but a number of different things as well.

Different Simple expressions of the value of one and the same commodity arise therefore according to whether this commodity enters into a value relation with this or that other kind of commodity.^{22a}

^{22a} Note to the 2nd edition. For instance in Homer, the value of a thing is expressed in a series of different things.

↓ And if one looks at all linen weavers together, then almost any use-value is likely to be exchangeable for linen somewhere.

The number of such possible expressions is limited only by the number of the different kinds of commodities distinct from *A*. The isolated expression of *A*'s value transforms itself therefore into the indefinitely expandable series of different Simple expressions of that value.

Vermittelst derselben wird der Wert einer Ware *A* zwar in nur einer Ware von anderer Art ausgedrückt. Welcher Art aber diese zweite Ware, ob Rock, ob Eisen, ob Weizen usw., ist durchaus gleichgültig.

Je nachdem sie also zu dieser oder jener andren Warenart in ein Wertverhältnis tritt, entstehen verschiedene einfache Wertausdrücke einer und derselben Ware.^{22a}

^{22a} Note zur 2. Aufl. Z.B. bei Homer wird der Wert eines Dings in einer Reihe verschiedner Dinge ausgedrückt.

Die Anzahl ihrer möglichen Wertausdrücke ist nur beschränkt durch die Anzahl von ihr verschiedenen Warenarten. Ihr vereinzelter Wertausdruck verwandelt sich daher in die stets verlängerbare Reihe ihrer verschiedenen einfachen Wertausdrücke.

Question 259 (Fri Sep 10–Mon Sep 13) Describe the “defects” of the Simple form of value, and explain how these defects generate their own remedy. [2005fa](#), [2004fa](#).

1.3.B. The Total or Expanded Form of Value

The Expanded form of value is a transitional phase (“*Durchgangsphase*” in the first edition, 43:4) between the Simple and the General forms of value. This subsection is written in a terse, telegraphic style.

154:4 *z commodity A = u commodity B or = v commodity C or = w commodity D or = x commodity E or = etc.*

155:1 (20 yards of linen = 1 coat or = 10 lb. tea or = 40 lb. coffee or = 1 quarter of wheat or = 2 ounces of gold or = 1/2 ton of iron or = etc.)

77:1 *z Ware A = u Ware B oder = v Ware C oder = w Ware D oder = x Ware E oder = etc.*

77:2 (20 Ellen Leinwand = 1 Rock oder = 10 Pfd. Tee oder = 40 Pfd. Kaffee oder = 1 Quarter Weizen oder = 2 Unzen Gold oder = 1/2 Tonne Eisen oder = etc.)

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If one combines all the things linen weavers are willing to accept in exchange for 20 yards of linen, one gets the Expanded form of value of linen. In the absence of money, the Expanded form can be a generally accepted social form of value only if one unique dominant commodity, such as cattle, is used to acquire all other commodities. See 158:3, 160:6, and *Contribution*, 286:3/ooo where Marx says that the Expanded form of value is only theoretical. In developed commodity production, the Expanded form exists only as the specific form in which the General equivalent expresses its value.

The Expanded Relative Form of Value

155:2 The value of a commodity, of the linen for example, is now expressed in countless other members of the world of commodities.

↑ Starting from the exchange relationship between linen and coats, we had inferred, previously, that there must be weavers who trade linen for coats. Now we are broadening our view and also look at those weavers who trade their linen for other commodities. We get a multitude of expressions which does not stem from any multiplicity of the value of linen, but simply from the fact that linen weavers, like everybody else, have many needs. ↓ But for those looking at this relation from the outside, the simple fact that linen is a value is now diffracted into a bewildering multitude of different expressions:

The body of every other commodity now becomes a mirror of the linen's value.²³

It seems contradictory to mirror the same thing in many different mirrors. Footnote 23 discusses how this contradiction was noted in the literature:

²³ For this reason one speaks of the coat-value of the linen when its value is represented in coats, or of its corn-value when expressed in corn, and so on. Every such expression says that it is the linen's value which appears in the use-values coat, corn etc.

↑ This last sentence is an echo of the argument made in 127:1: these various exchange relations are the expressions of something that has to do with the linen alone, namely of the value of the linen. ↓ Bailey interprets them differently. He thinks these exchange relations indicate that linen has more than one value:

'The value of any commodity denoting its relation in exchange, we may speak of it as ... corn-value, cloth-value, according to the commodity with which it is compared, and hence there are a thousand different kinds of value, as many kinds of value as there are commodities in existence, and all are equally real and equally nominal' [Bai25, p. 39].

S. Bailey, the author of this anonymous work, which in its day created a considerable stir in England, was under the delusion that by pointing to the multiplicity of the relative expressions of the same commodity-value he had demolished any possibility of a conceptual determination of value.

77:3 Der Wert einer Ware, der Leinwand z.B., ist jetzt ausgedrückt in zahllosen anderen Elementen der Warenwelt.

Jeder andre Warenkörper wird zum Spiegel des Leinwandwerts.²³

²³ Man spricht deshalb vom Rockwert der Leinwand, wenn man ihren Wert in Röcken, von ihrem Kornwert, wenn man ihn in Korn darstellt etc. Jeder solche Ausdruck besagt, daß es ihr Wert ist, der in den Gebrauchswerten Rock, Korn usw. erscheint.

„Da der Wert jeder Ware ihr Verhältnis im Austausch bezeichnet, können wir ihn bezeichnen als ... Kornwert, Tuchwert, je nach der Ware, mit der sie verglichen wird; und daher gibt es tausend verschiedene Arten von Werten, so viele, wie Waren vorhanden sind, und alle sind gleich real und gleich nominell.“ [Bai25, p. 39].

S. Bailey, der Verfasser dieser anonymen Schrift, die ihrer Zeit viel Lärm in England machte, wähnt durch diesen Hinweis auf die kunterbunten relativen Ausdrücke desselben Warenwerts alle Begriffsbestimmung des Werts vernichtet zu haben.

↑ Of course Bailey has not demolished the concept of value. The fact that the same value can have multiple expressions does not mean that value is not a well-defined concept.

↑ So far footnote 23. ↓ In the main text, Marx strikes a more positive note. Far from refuting the concept of value, the proliferation of equivalents is an accurate reflection of the underlying reality that as value-creating labor, weaving counts as equal to the labors producing coats or wheat or iron or gold:

It is only thus that this value truly appears as a congealed quantity of undifferentiated human labor. For the labor which creates it is now explicitly represented as labor which counts as the equal of every other sort of human labor, whatever natural form it may possess, i.e., whether it be objectified in a coat, in corn, in iron, or in gold.

So erscheint dieser Wert selbst erst wahrhaft als Gallerte unterschiedsloser menschlicher Arbeit. Denn die ihn bildende Arbeit ist nun ausdrücklich als Arbeit dargestellt, der jede andre menschliche Arbeit gleichgilt, welche Naturalform sie immer besitze und ob sie sich daher in Rock oder Weizen oder Eisen oder Gold usw. vergegenständliche.

↑ In connection with what I said earlier, I understand this sentence to mean: the surface relations do not reveal that the commonality inside the commodities is human labor in the abstract, but once we know this, it becomes clear that many aspects of this labor are accurately reflected on the surface. This is indeed all that is necessary for the surface relations to guide production, since the private producers “know” very well about labor—after all, the reallocation of their labor is ultimately the only response to the market signals which they are able to make. ↓ Among others, the surface relations accurately reflect the fact that human labor in the abstract is more than a physiological fact valid for every labor process individually, but that the labor processes are placed in a relation to each other as equals, i.e., they are compared with each other:

The linen, by virtue of its form of value, no longer stands in a social relation with merely one other kind of commodity, but with the whole world of commodities. As a commodity it is citizen of this world.

Durch ihre Wertform steht die Leinwand daher jetzt auch in gesellschaftlichem Verhältnis nicht mehr zu nur einer einzelnen andren Warenart, sondern zur Warenwelt. Als Ware ist sie Bürger dieser Welt.

↓ The next sentence brings another dimension in which this form of value expresses the truth about value:

At the same time, it is contained in this endless series of value expressions that the value of the commodity itself has nothing to do with the particular use-values in which it appears.

Zugleich liegt in der endlosen Reihe seiner Ausdrücke, daß der Warenwert gleichgültig ist gegen die besondere Form des Gebrauchs-werts, worin er erscheint.

↑ The multitude of expressions indicates that these are only expressions and cannot be the real thing. If the 20 yards of linen are in one instance exchanged against 1 coat, and in another against 10 lbs. tea, etc., this makes it implausible that these come from the relationships between the owner of linen and the owners of each of these other commodities. It is much more plausible to assume that all these other commodities, by their willingness to exchange themselves for linen, express the same thing about the commodity “linen.” Marx had made a very similar argument at the very beginning of the chapter, in 127:1.

Fowkes has: “the endless series of value expressions implies that, from the point of view of the value of the commodity, the particular

use-value in which it appears is a matter of indifference.” This is a unfortunate formulation because the particular use-value in which

the commodity-value appears is a matter of indifference not only from the point of view of the commodity-value but in general,

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from every point of view. The phrase “*der Warenwert ist gleichgültig*” evokes a figurative “feeling” of indifference on part of the commodity-value (it doesn’t care in which use-value it is expressed). Fowkes draws from

this the wrong conclusion that it is something subjective, only valid from the point of view of the value. In my reading of this sentence, this “feeling” reflects a deep-seated ontological indifference (the inner substance

of value has nothing to do with use-values). Marx wrote this sentence to point out that this deep-seated indifference finds its expression on the surface in the endless series of equivalents.

↓ On the quantitative side, the Expanded form cushions the quantity of value from accidental individual circumstances:

155:3/o In the first form, 20 yards of linen = 1 coat, it might well be a pure accident that these two commodities are exchangeable in a specific quantitative relation. In the second form, by contrast, a background of this accidental appearance immediately shines through, which is essentially different from it yet determines it. The value of the linen remains unaltered in magnitude, whether represented in coats, coffee, or iron, or in innumerable different commodities, belonging to the most diverse owners. The accidental relation between two individual commodity-owners falls away. It becomes plain that it is not the exchange of commodities which regulates the magnitude of their values, but rather the reverse, it is the magnitude of the value of commodities which regulates the proportion in which they are exchanged.

78:1 In der ersten Form: 20 Ellen Leinwand = 1 Rock kann es zufällige Tatsache sein, daß diese zwei Waren in einem bestimmten quantitativen Verhältnisse austauschbar sind. In der zweiten Form leuchtet dagegen sofort ein von der zufälligen Erscheinung wesentlich unterschiedner und sie bestimmender Hintergrund durch. Der Wert der Leinwand bleibt gleich groß, ob in Rock oder Kaffee oder Eisen etc. dargestellt, in zahllos verschiedenen Waren, den verschiedensten Besitzern angehörig. Das zufällige Verhältnis zweier individueller Warenbesitzer fällt fort. Es wird offenbar, daß nicht der Austausch die Wertgröße der Ware, sondern umgekehrt die Wertgröße der Ware ihre Austauschverhältnisse reguliert.

↑ As long as we know that linen has only one value, not many values depending on the circumstances of the exchanges, we know that this value is not generated by the exchange but is generated elsewhere.

Question 261 (*Tue Sep 14–Thu Sep 16*) *How does it become plain here that it is not the exchange of commodities which regulates the magnitude of their values, but rather the reverse, it is the magnitude of the value of commodities which regulates the proportion in which they are exchanged?* [2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#).

The Particular Equivalent Form

156:1 Every commodity, such as coat, tea, iron, etc., counts, in the expression of value of the linen, as an equivalent and therefore a physical incarnation of value.

78:2 Jede Ware, Rock, Tee, Weizen, Eisen usw., gilt im Wertausdruck der Leinwand als Äquivalent und daher als Wertkörper.

Fowkes translates *Wertkörper* with “physical object possessing value.” It would have been more accurate

to say “physical object representing value.” Moore-Aveling are here better

than Fowkes, they write “thing that is value.”

Does this mean that regardless of what kind of commodity one has, it is always exchangeable against linen, that one can always find a linen weaver who needs this commodity? This is not possible. Linen weavers would be flooded with use-values nobody wants. ↓ Marx makes this argument on a much more abstract level, by pointing out the defects of the equivalent form coming with the Expanded relative form of value.

The specific bodily form of each of these commodities is now a Particular equivalent form alongside many others. In the same way, the many specific, concrete, and useful kinds of labor contained in the physical commodities count now as just as many particular forms of realization or manifestation of human labor in general.

Die bestimmte Naturalform jeder dieser Waren ist jetzt eine besondre Äquivalentform neben vielen andren. Ebenso gelten die mannigfaltigen in den verschiedenen Warenkörpern enthaltenen bestimmten, konkreten, nützlichen Arbeitsarten jetzt als ebenso viele besondre Verwirklichungs- oder Erscheinungsformen menschlicher Arbeit schlechthin.

↑ This is already a defect. Human labor as such is undifferentiated, yet it has many different incarnations. Marx does not remark on this specifically, but begins here a systematic discussion of all the defects of the Expanded form of value.

Defects of the Total or Expanded Form of Value

In a hurried style, Marx enumerates the “defects” of the Total or Expanded form, and its “improvements” over the Simple form. In a nutshell, the defects are: The Expanded form is not unique (i.e., the equivalent of the same commodity is not the same everywhere and at all times), it is not simple (i.e., more than one use-value is involved in this form, but in real life one will only deal with one of these use-values at a time), and it is not uniform (i.e., the expanded equivalent of linen is qualitatively different from that of boots). One aspect which is not a defect is that it is representative, i.e., the unending series of equivalents covers the whole breadth of what abstract labor can do.

As earlier in 154:2, Marx does not simply say that the Expanded form of value as a whole is defective, but he allocates the defects to the two poles of the expression. First he enumerates three defects of the Expanded *relative* form of value.

↓ Incompleteness: Whereas value itself is something fixed and given, this representation of value is unfinished and continually subject to extensions:

156:2/o Firstly, the relative expression of value of the commodity is incomplete, because the series of its representations never comes to an end. The chain, of which each equation of value is a link, is liable at any moment to be lengthened by any newly created commodity, providing the material for a fresh expression of value.

78:3/o Erstens ist der relative Wertausdruck der Ware unfertig, weil seine Darstellungsreihe nie abschließt. Die Kette, worin eine Wertgleichung sich zur andern fügt, bleibt fortwährend verlängerbar durch jede neu auftretende Warenart, welche das Material eines neuen Wertausdrucks liefert.

“Relative expression of value” is here short for “relative Expanded

form of value as an expression of value.”

↑ It is not just a theoretical possibility that new use-values may enter the market. Often, new use-values are introduced exactly for the purpose of achieving a more favorable exchange proportion than would be possible with the established ones. But the Expanded

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relative form of value would be unfinished even in a world without technical change. If the linen weaver offers her linen for an assortment of various other goods, then this assortment can always only be a sample, only a subset of all the goods on the market. The linen weaver may well be willing to exchange the linen also for a good which is not in this original subset.

↓ Lack of simplicity: Whereas abstract value-creating labor is simple, its origin is the same human labor-power used in various different production processes, its representation is not simple but composed of many different components which have nothing in common with each other. Marx calls it a “motley mosaic”:

Secondly, it is a motley mosaic of disparate and unconnected expressions of value.

Zweitens bildet sie eine bunte Mosaik aus-einanderfallender und verschiedenartiger Wertausdrücke.

↓ Lack of uniformity: Whereas value of linen is qualitatively equal to the value of boots, namely, they both are congealed abstract labor, the relative form of value of linen is different from that of every other commodity.

And lastly, if, as must be the case, the relative value of each commodity is expressed in this expanded form, it follows that the relative form of value of each commodity is an endless series of expressions of value which is different than the relative form of value of every other commodity.

Wird endlich, wie dies geschehn muß, der relative Wert jeder Ware in dieser entfalteten Form ausgedrückt, so ist die relative Wert-form jeder Ware eine von der relativen Wert-form jeder andren Ware verschiedene endlose Reihe von Wertausdrücken.

↑ “Different” means here “qualitatively different.” One needs an expression of value which is qualitatively the same for all commodities and only quantitatively different. The lists of equivalents are originally not proportional to each other, i.e., they are qualitatively different from each other.

After the defects of the Expanded relative form, Marx discusses those of the Expanded equivalent form:

The defects of the Expanded relative form of value are reflected in the corresponding equivalent form.

—Die Mängel der entfalteten relativen Wert-form spiegeln sich wider in der ihr entspre-chenden Äquivalentform.

↓ That iron, wheat, gold, etc. are included in the Expanded relative value form of linen does not mean that they suddenly show up on the market as a group. In their *existence*, these use-values are as unrelated as ever. This is why Marx begins his discussion of the defects of the Expanded equivalent form not with the whole array of commodities listed as equivalents, but with the individual commodities included in this array, which he calls “Particular” equivalents:

Since the bodily form of each individual kind of commodity is here one Particular equivalent form amongst innumerable other Particular equivalent forms, the only equivalent forms in existence are limited equivalent forms, each of which excludes any of the others.

Da die Naturalform jeder einzelnen Waren-art hier eine besondre Äquivalentform neben unzähligen andren besondren Äquiva-lentformen ist, existieren überhaupt nur be-schränkte Äquivalentformen, von denen je-de die andre ausschließt.

↑ Marx (a) calls these Particular equivalents limited, and (b) says that each excludes the other. Since Marx will elaborate on (a) in his next sentence, let's first discuss (b). If linen has coat as one Particular equivalent, this does not mean that the linen weaver whom the tailor approaches in order to exchange his coat is one who needs a coat; instead, his

Particular equivalent may exclude coats. Although the Expanded form of value covers all commodity owners offering linen, there is not one Particular equivalent which is accepted by every commodity-owner offering linen. This is a different exclusivity than that between the Expanded equivalent forms of two different commodities discussed in 158:3.

Similarly, the specific, concrete, useful kind of labor contained in each Particular commodity-equivalent is only a Particular and therefore not an exhaustive form of appearance of human labor.

If you look at the actualizations of this unlimited series, which by necessity consist of only one piece of the mosaic at a time, then you also lose the representativeness. To stay with our example, the labor contained in the coat is not an exhaustive form of appearance of human labor, it is simply the kind of human labor that produces coats.

Lack of uniqueness, which was the first defect on the relative side, is the third defect of the Expanded equivalent form of value:

It is true that human labor possesses a complete or total form of appearance in the aggregation of its particular forms of appearance. But in that case it has no single, unified form of appearance.

Ebenso ist die in jedem besondren Warenäquivalent enthaltene bestimmte, konkrete, nützliche Arbeitsart nur besondere, also nicht erschöpfende Erscheinungsform der menschlichen Arbeit.

Diese besitzt ihre vollständige oder totale Erscheinungsform zwar in dem Gesamtumkreis jener besondren Erscheinungsformen. Aber so besitzt sie keine einheitliche Erscheinungsform.

Question 263 (Tue Sep 14–Thu Sep 16) Which characteristics of value are expressed better in the Expanded form of value than in the Simple form, and what are the defects of the Expanded form? [2009fa](#), [2008fa](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#).

As in 154:3, the remedy to these defects is already implicit in the problem:

157:1 The Expanded relative form of value is, however, nothing but the sum of the simple relative expressions or equations of the first form, such as:

$$20 \text{ yards of linen} = 1 \text{ coat}$$

$$20 \text{ yards of linen} = 10 \text{ lb. of tea, etc.}$$

157:2 Each of these equations implies the identical equation in reverse:

$$1 \text{ coat} = 20 \text{ yards of linen}$$

$$10 \text{ lb. of tea} = 20 \text{ yards of linen, etc.}$$

79:1 Die entfaltete relative Wertform besteht jedoch nur aus einer Summe einfacher relativer Wertausdrücke oder Gleichungen der ersten Form, wie:

$$20 \text{ Ellen Leinwand} = 1 \text{ Rock}$$

$$20 \text{ Ellen Leinwand} = 10 \text{ Pfd. Tee usw.}$$

79:2 Jede dieser Gleichungen enthält aber

rückbezüglich auch die identische Gleichung:

$$1 \text{ Rock} = 20 \text{ Ellen Leinwand}$$

$$10 \text{ Pfd. Tee} = 20 \text{ Ellen Leinwand usw.}$$

79:3 In der Tat: Wenn ein Mann seine Leinwand mit vielen andren Waren austauscht und daher ihren Wert in einer Reihe von andren Waren ausdrückt, so müssen notwendig auch die vielen andren Warenbe-

157:3 In fact, when a person exchanges his linen for many other commodities, and thus expresses its value in a series of other commodities, it necessarily follows that the other owners of commodities exchange

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them for the linen, and therefore express the values of their various commodities in one and the same third commodity, the linen.—

↓ Right now Marx assumes that this potential becomes actualized, without saying why and how:

If, then, we reverse the series 20 yards of linen = 1 coat, or = 10 lb. of tea, etc., i.e. if we formulate the converse relation already implied in the series, we get:

sitzer ihre Waren mit Leinwand austauschen und daher die Werte ihrer verschiedenen Waren in derselben dritten Ware ausdrücken, in Leinwand.—

Kehren wir also die Reihe: 20 Ellen Leinwand = 1 Rock oder = 10 Pfd. Tee oder = usw. um, d.h., drücken wir die der Sache nach schon in der Reihe enthaltene Rückbeziehung aus, so erhalten wir:

Question 264 (Tue Sep 14–Thu Sep 16) Why doesn't Marx go from the Simple form of value directly to the General form of value by letting everyone express their values in the same commodity? [2008fa](#), [2007fa](#), [2004fa](#), [2001fa](#).

Question 265 (Tue Sep 14–Thu Sep 16) Imagine a world in which humans only need one use-value to survive (e.g., some humans survive on carrots alone, others on boots alone, others again on shampoo alone, etc.), but production is such that each production process yields many different use-values (i.e., the production process which produces milk also produces shoe polish, record players, sausages, cooking oil, roller blades, coats, sunglasses, and tooth brushes, and many other things, as byproducts.) Argue that in such a fictitious world, the expression of value would go directly from the accidental form of value to the general form of value, bypassing the expanded form of value. [2009fa](#), [2008fa](#), [2007SP](#).

1.3.C. General Form of Value

157:4

$$\begin{array}{rcl} 1 \text{ coat} & = & \\ 10 \text{ lb. of tea} & = & \\ 40 \text{ lb. of coffee} & = & \\ 1 \text{ qtr. of wheat} & = & \\ 2 \text{ ounces of gold} & = & \\ 1/2 \text{ ton of iron} & = & \\ x \text{ commodity A} & = & \end{array} \left. \begin{array}{l} \\ \\ \\ \\ \\ \\ \end{array} \right\} \begin{array}{l} 20 \text{ yards} \\ \text{of linen} \end{array}$$

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$$\begin{array}{rcl} 1 \text{ Rock} & = & \\ 10 \text{ Pfd. Tee} & = & \\ 40 \text{ Pfd. Kaffee} & = & \\ 1 \text{ Qrtr. Weizen} & = & \\ 2 \text{ Unzen Gold} & = & \\ 1/2 \text{ Tonne Eisen} & = & \\ x \text{ Ware A} & = & \\ \text{usw.} \text{ Ware} & = & \end{array} \left. \begin{array}{l} \\ \\ \\ \\ \\ \\ \end{array} \right\} \begin{array}{l} 20 \text{ Ellen} \\ \text{Leinwand} \end{array}$$

The Changed Character of the Value Form

In the first edition, 643:2, Marx remarks that this form is quite different. ↓ The first paragraph explains the name “General” form of value:

157:5 The commodities now express their values (1) in a simple form, because in a single commodity, and (2) in a unified form, because each commodity expresses its value in the same commodity. Their form of value is simple and common to all, hence general.

79:5 Die Waren stellen ihre Werte jetzt 1. einfach dar, weil in einer einzigen Ware und 2. einheitlich, weil in derselben Ware. Ihre Wertform ist einfach und gemeinschaftlich, daher allgemein.

Fowkes has “The commodities now present their values to us, . . .” The “to us” is not in the Moore-Aveling translation, and it is out of place. The expression or representation of value is a social necessity, and it has nothing to do with the readers of this book. In the core of the economy, i.e., at a systemic level, there is a bond between all labors in society

because they all are the usually interchangeable applications of the same homogeneous finite mass of human labor-power. But this intrinsic connection can only affect human activity when it enters the realm of human interactions. The interpersonal relations which induce the economic agents to take the intrinsic constraints of this limited

pool of social labor-power into considerations are called, by Marx, the forms, expressions, representations of value. Since the agents do not react to value itself but to these expressions of value, it is important that these expressions are faithful expressions of the intrinsic properties of value.

The German word for “general” is “*allgemein*” (i.e., *allen gemein*, common to all).

While discussing the difference between the General form and the previous forms (Simple and Expanded forms of value), Marx also reviews the characteristics of these previous forms. He recapitulates their shortcomings and shows how the present form overcomes them.

158:1 The two previous forms (let us call them *A* and *B*) only got as far as expressing the value of a commodity as something distinct from its own use-value or physical body.

But by emphasizing the distinction between value and use-value of the same commodity, the previous forms lost the homogeneity of value itself. This will be explained in the next two paragraphs. As a belated elaboration of an obscure hint in 153:2/o, Marx also sketches out under what circumstances these previous value forms occurred in practice:

158:2 The first form, *A*, produced equations like this: 1 coat = 20 yards of linen, 10 lb. of tea = 1/2 ton of iron. The value of the coat is expressed as something which is like linen, that of the tea as something which is like iron. These expressions of the value of coat and tea are therefore as different as linen is from iron. This form, it is plain, appears in practice only in the early stages, when the products of labor are converted into commodities by accidental occasional exchanges.

158:3 The second form, *B*, distinguishes the value of a commodity more completely from its own use-value, for the value of the coat now contrasts its bodily form by assuming all possible shapes, that of linen, iron, tea, etc., every shape but that of a coat.

80:1 Die Formen I und II kamen beide nur dazu, den Wert einer Ware als etwas von ihrem eignen Gebrauchswert oder ihrem Warenkörper Unterschiedenes auszudrücken.

80:2 Die erste Form ergab Wertgleichungen wie: 1 Rock = 20 Ellen Leinwand, 10 Pfd. Tee = 1/2 Tonne Eisen usw. Der Rockwert wird als Leinwandleiches, der Teewert als Eisengleiches usw. ausgedrückt, aber Leinwandleiches und Eisengleiches, diese Wertausdrücke von Rock und Tee, sind ebenso verschieden wie Leinwand und Eisen. Diese Form kommt offenbar praktisch nur vor in den ersten Anfängen, wo Arbeitsprodukte durch zufälligen und gelegentlichen Austausch in Waren verwandelt werden.

80:3 Die zweite Form unterscheidet vollständiger als die erste den Wert einer Ware von ihrem eignen Gebrauchswert, denn der Wert des Rocks z.B. tritt jetzt seiner Naturalform in allen möglichen Formen gegenüber, als Leinwandleiches, Eisengleiches, Teegleiches usw., alles andre, nur nicht Rockgleiches.

This is a more thoroughly negative expression of value: by expressing the value of a commodity in the shape of *all* other commodities one says that value is not equal to *any* use-value. But this thorough negativity makes homogeneity impossible:

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On the other hand, this immediately excludes any expression of value common to all commodities; for, in the expression of value of each commodity, all other commodities only appear in the form of equivalents.

For a joint expression of value, two commodities would have to be in the relative form of value at the same time, with some joint equivalent. Both commodities would have to be in the active position. This is impossible with the Expanded equivalent form, since the second commodity is included as an equivalent of the first, and therefore cannot be in the relative value form at the same time. Marx writes “only” as an equivalent, because the equivalent form is passive and not very expressive; for instance, it does not express the quantity of the value of the equivalent commodity, see 147:2. Again, Marx mentions the historical conditions under which this form of value occurred first:

The Expanded form of value comes into actual existence for the first time when a particular product of labor, such as cattle, is no longer exceptionally, but habitually, exchanged for various other commodities.

Homogeneity is regained in the General form of value:

158:4 The new form we have just obtained expresses the values of the world of commodities in one single kind of commodity set apart from the rest, in linen for example, and thus represents the values of all commodities through their equality with linen. The equation with linen differentiates the value of every commodity not only from its own use-value, but from all use-values. Hence the value is expressed as that which this commodity has in common with all commodities.

The differentiation between value and use-value proceeded in three steps. The Simple form of value shows that the value of linen is something different from the use-value of linen (since this value is represented in the use-value of the coat). The Expanded form of value shows the irrelevance of the use-value representing the value, compare 155:2, it might be coats, but it might also be different things. Only the General form of value shows that value is separate from any use-value—because the linen in the General form of value is not acquired because it is linen, but because it is the General equivalent.

↑ This last sentence is interesting. In the Simple and also the Expanded form of value, Marx emphasizes that the commodities express their values in the *use-value* of the Equivalent commodities. With the General form of value this is no longer true. Once one commodity has been singled out as the general equivalent, it is no longer the use-value of the commodity serving as equivalent that matters, but the fact that every other commodity expresses its value in that same equivalent commodity. This value expression of all other commodities makes the equivalent commodity *directly exchangeable*, in other words, the equivalent commodity can be used to buy all other commodities.

Andrerseits ist hier jeder gemeinsame Wertausdruck der Waren direkt ausgeschlossen, denn im Wertausdruck je einer Ware erscheinen jetzt alle andren Waren nur in der Form von Äquivalenten.

Die entfaltete Wertform kommt zuerst tatsächlich vor, sobald ein Arbeitsprodukt, Vieh z.B., nicht mehr ausnahmsweise, sondern schon gewohnheitsmäßig mit verschiedenen andren Waren ausgetauscht wird.

80:4 Die neugewonnene Form drückt die Werte der Warenwelt in einer und derselben von ihr abgesonderten Warenart aus, z.B. in Leinwand, und stellt so die Werte aller Waren dar durch ihre Gleichheit mit Leinwand. Als Leinwandgleiches ist der Wert jeder Ware jetzt nicht nur von ihrem eignen Gebrauchswert unterschieden, sondern von allem Gebrauchswert, und ebendadurch als das ihr mit allen Waren Gemeinsame ausgedrückt.

This expression in one and the same commodity makes the General form of value the first form of value which leads to it that in the production process the commodities are related to each other as values, i.e., as blobs of abstract human labor:

Only this form, therefore, has the effect of relating the commodities with each other as values, or enables them to appear to each other as exchange-values.

Erst diese Form bezieht daher wirklich die Waren aufeinander als Werte oder lässt sie einander als Tauschwerte erscheinen.

The General form of value is not only an expression of value, but an expression of value by a social relation involving all commodities. In this way it can become the social relation on the surface sustaining production on the core level of the economy (here we are talking about channel (2)).

Question 267 (Tue Sep 14–Thu Sep 16) In 158:4, Marx writes the following about the general form of value: “Only this form, therefore, has the effect of relating the commodities with each other as values, or enables them to appear to each other as exchange-values.” Why didn’t he write: “or enables them to appear to each other as values”? 2008fa, 2007fa, 2007SP, 2004fa, 2003fa, 2002fa.

↓ Discussion of the General relative form of value. An important difference now is that this is no longer an “interpersonal” interaction between the commodity and its trading partners, but a relation spanning all of society.

158:5/o The two earlier forms express the value of a given commodity either in terms of a single commodity of a different kind, or in a series of many commodities which differ from the given commodity. In both cases it is the private task, so to speak, of the individual commodity to give itself a form of value, and it accomplishes this task without the aid of the others, which play towards it the merely passive role of equivalents.

80:5/o Die beiden früheren Formen drücken den Wert je einer Ware, sei es in einer einzigen verschiedenartigen Ware, sei es in einer Reihe vieler von ihr verschiedenen Waren aus. Beidemal ist es sozusagen das Privatgeschäft der einzelnen Ware, sich eine Wertform zu geben, und sie vollbringt es ohne Zutun der andren Waren. Diese spielen ihr gegenüber die bloß passive Rolle des Äquivalents.

The General form of value is not quite as passive:

The general form of value, on the other hand, can only arise as a joint work of the whole world of commodities. A commodity gains a general expression of its value only when, at the same time, all other commodities express their values in the same equivalent; and every newly emergent commodity must follow suit. It thus becomes evident that because the objectivity of commodities as values is the purely ‘social existence’ of these things, it can only be expressed through an all-sided social relation; consequently the form of their values must be a socially valid form.

Die allgemeine Wertform entsteht dagegen nur als gemeinsames Werk der Warenwelt. Eine Ware gewinnt nur allgemeinen Wertausdruck, weil gleichzeitig alle andren Waren ihren Wert in demselben Äquivalent ausdrücken, und jede neu auftretende Warenart muß das nachmachen. Es kommt damit zum Vorschein, daß die Wertgegenständlichkeit der Waren, weil sie das bloß „gesellschaftliche Dasein“ dieser Dinge ist, auch nur durch ihre allseitige gesellschaftliche Beziehung ausgedrückt werden kann, ihre Wertform daher gesellschaftlich gültige Form sein muß.

1. The Commodity

Question 268 (*Tue Sep 14–Thu Sep 16*) *Describe the joint work of all commodities which is necessary to appropriately express the value of one commodity.* [2009fa](#), [2008fa](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#), [1999SP](#).

Clearly, this “joint work of the whole world of commodities” must be supervised by the state. This is one of the several places in *Capital* where Marx describes, without explicitly saying so, tasks of the capitalist state.

Now the quantitative aspect:

159:1 In this form, which sets all commodities equal to the linen, the commodities appear not only as qualitatively equal, as values in general, but also as values whose quantities can be compared.

The rest of the paragraph elaborates how they can be compared:

Because the magnitudes of their values are expressed in one and the same material, the linen, these magnitudes are now reflected in each other. For instance, 10 lbs. of tea = 20 yards of linen, and 40 lbs. of coffee = 20 yards of linen. Therefore 10 lbs. of tea = 40 lbs. of coffee. In other words, 1 lb. of coffee contains only a quarter as much of the substance of value, that is, labor, as 1 lb. of tea.

It is therefore a very good form of value. Every commodity has this form of value with one exception:

159:2/o The General relative form of value of the world of commodities excludes only one commodity, the linen, on which it imposes the character of General equivalent.

Next Marx asks how the value of this excluded equivalent commodity is expressed:
The bodily form of the linen is the common form taken by the value of all commodities. Linen is therefore directly exchangeable with all other commodities.

This is an important observation: since all commodities express their values in the General equivalent, this General equivalent commodity is directly exchangeable with all commodities. What does “directly exchangeable” mean? If you take an ordinary commodity to market, two questions must be resolved for an exchange to go through: (1) does your trading partner need your commodity, and (2) how much of his own commodity is he going to give you for your commodity. Your commodity is called “directly exchangeable” if question (1) is always answered in the affirmative. Nobody will turn the trade down with you because they don’t need your commodity (if your commodity is the General equivalent). Only question (2) matters, the exchange proportion between their commodity and the General equivalent. I.e., the General equivalent can be used to *buy* other commodities. This power to buy everything is a direct and positive expression of the value of the equivalent commodity:

81:1 In der Form von Leinwandgleichen erscheinen jetzt alle Waren nicht nur als qualitativ Gleiche, Werte überhaupt, sondern zugleich als quantitativ vergleichbare Wertgrößen.

Weil sie ihre Wertgrößen in einem und demselben Material, in Leinwand bespiegeln, spiegeln sich diese Wertgrößen wechselseitig wider. Z.B. 10 Pfd. Tee = 20 Ellen Leinwand, und 40 Pfd. Kaffee = 20 Ellen Leinwand. Also 10 Pfd. Tee = 40 Pfd. Kaffee. Oder in 1 Pfd. Kaffee steckt nur 1/4 soviel Wertsubstanz, Arbeit, als in 1 Pfd. Tee.

81:2 Die allgemeine relative Wertform der Warenwelt drückt der von ihr ausgeschlossenen Äquivalentware, der Leinwand, den Charakter des allgemeinen Äquivalents auf.

Ihre eigne Naturalform ist die gemeinsame Wertgestalt dieser Welt, die Leinwand daher mit allen andren Waren unmittelbar austauschbar.

The bodily form of the linen counts as the visible incarnation, the general social chrysalis state, of all human labor. Weaving, the private labor which produces linen, is at the same time labor in general social form, the form of equality with all other kinds of labor. The innumerable equations of which the general form of value is composed equate the labor realized in the linen with the labor contained in every other commodity. They thus convert weaving into the general form of appearance of undifferentiated human labor. In this manner the labor objectified in the values of commodities is not just represented negatively, as labor in which abstraction is made from all the concrete forms and useful properties of actual work. Rather its own positive nature is explicitly brought out. It is the reduction of all kinds of actual labor to their common character of being human labor in general, of being the expenditure of human labor-power.

Ihre Körperform gilt als die sichtbare Inkarnation, die allgemeine gesellschaftliche Verpuppung aller menschlichen Arbeit. Die Weberei, die Privatarbeit, welche Leinwand produziert, befindet sich zugleich in allgemein gesellschaftlicher Form, der Form der Gleichheit mit allen andren Arbeiten. Die zahllosen Gleichungen, woraus die allgemeine Wertform besteht, setzen der Reihe nach die in der Leinwand verwirklichte Arbeit jeder in andrer Ware enthaltenen Arbeit gleich und machen dadurch die Weberei zur allgemeinen Erscheinungsform menschlicher Arbeit überhaupt. So ist die im Warenwert vergegenständlichte Arbeit nicht nur negativ dargestellt als Arbeit, worin von allen konkreten Formen und nützlichen Eigenschaften der wirklichen Arbeiten abstrahiert wird. Ihre eigne positive Natur tritt ausdrücklich hervor. Sie ist die Reduktion aller wirklichen Arbeiten auf den ihnen gemeinsamen Charakter menschlicher Arbeit, auf die Verausgabung menschlicher Arbeitskraft.

Question 270 (Tue Sep 14–Thu Sep 16) How does the General Equivalent form of value express the labor represented in value not only negatively but also positively? [2008fa](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [1997ut](#).

Now the whole of the General form of value:

160:1 The General form of value, in which all products of labor are presented as mere congealed quantities of undifferentiated human labor, shows by this general coverage alone that it is the social expression of the world of commodities. Thus it makes it plain that within this world the general human character of labor forms its specific social character.

81:3 Die allgemeine Wertform, welche die Arbeitsprodukte als bloße Gallerten unterschiedloser menschlicher Arbeit darstellt, zeigt durch ihr eignes Gerüste, daß sie der gesellschaftliche Ausdruck der Warenwelt ist. So offenbart sie, daß innerhalb dieser Welt der allgemein menschliche Charakter der Arbeit ihren spezifisch gesellschaftlichen Charakter bildet.

Interdependence of the Development of Relative Form of Value and Equivalent Form

The main objective of section 1.3 is an understanding of the “genesis” of money, see 139:1. Money is a commodity which is always in the general equivalent form. The equivalent, however, is passive. In the present brief subsection Marx shows that also the *development* of the equivalent form is passive; it is driven by the development of the relative form.

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160:2 The degree of development of the equivalent form corresponds to that of the relative form of value. However it should be noted that the development of the equivalent form is only the expression and result of the **development of the relative form**.

↓ More specifically, the equivalents in the Simple, Expanded, and General forms of value are generated through the actions of the commodities in the corresponding relative forms of value.

160:3 The Simple or Isolated relative form of value of one commodity converts some other commodity into a Simple equivalent. The Expanded form of relative value, that expression of the value of one commodity in terms of all other commodities, imprints on those other commodities the form of various Particular equivalents. Finally, a particular kind of commodity obtains the form of General equivalent, because all other commodities make it the material embodiment of their unified and general form of value.

The equivalents go through the progression individual—particular—general.

Despite the correspondence in the development paths of the two poles, these paths themselves do not converge but, on the contrary, the “antagonism” between the two poles becomes stronger. (This antagonism will then be used, in chapter Two, 181:2, to explain the practical implementation of the forms of money along with the development of commodity production itself.) We use “antagonism” as translation for the German word *Gegensatz*. In the First edition, 645:2, it is called a “polar antagonism,” which is explained to be an “inseparable connectedness and at the same time continual exclusion.”

160:4 Concomitantly with the development of the value form itself, however, develops also the antagonism between the relative form of value and the equivalent form, the two poles of the value form.

This antagonism is already present in the Simple form of value, although both sides consist of arbitrary commodities:

160:5 The first form, 20 yards of linen = 1 coat, already contains this antagonism, but does not attach it.

The antagonism is not “attached” or “fixed” to the commodities because one cannot say, for instance, that the linen is in the relative and the coat in the equivalent form. One can only say that for the weaver, the linen is in the relative and the coat in the equivalent form, but for the tailor just the reverse holds: for him, the linen is in the equivalent and the coat in the relative form.

According to whether we read the same equation forwards or backwards, each of

81:4 Dem Entwicklungsgrad der relativen Wertform entspricht der Entwicklungsgrad der Äquivalentform. Aber, und dies ist wohl zu merken, die Entwicklung der Äquivalentform ist nur Ausdruck und Resultat der Entwicklung der relativen Wertform.

82:1 Die einfache oder vereinzelte relative Wertform einer Ware macht eine andre Ware zum einzelnen Äquivalent. Die entfaltete Form des relativen Werts, dieser Ausdruck des Werts einer Ware in allen andren Waren, prägt ihnen die Form verschiedenartiger besonderer Äquivalente auf. Endlich erhält eine besondere Warenart die allgemeine Äquivalentform, weil alle andren Waren sie zum Material ihrer einheitlichen, allgemeinen Wertform machen.

82:2 In demselben Grad aber, worin sich die Wertform überhaupt entwickelt, entwickelt sich auch der Gegensatz zwischen ihren beiden Polen, der relativen Wertform und Äquivalentform.

82:3 Schon die erste Form—20 Ellen Leinwand = 1 Rock—enthält diesen Gegensatz, fixiert ihn aber nicht.

Je nachdem dieselbe Gleichung vorwärts oder rückwärts gelesen wird, befindet sich

the two commodity poles (such as linen and coat) is found in the relative form on one occasion, and in the equivalent form on the other.

↓ This indeterminateness makes it difficult to see that there even is an antagonism.

Here it is still difficult to keep hold of the polar antagonism.

↓ The Expanded form of value is no longer symmetric, but its reversal leads to a new form of value, the General form of value.

160:6 In form *B*, only one commodity at a time can expand its relative value into a totality, and it only possesses this Expanded relative form of value because, and in so far as, all other commodities are with respect to it, equivalents. Here we can no longer reverse the equation—such as 20 yards of linen = 1 coat or = 10 lb. of tea or = 1 quarter of wheat etc.—without altering its whole character, and converting it from the Expanded form into the general form of value.

↑ Form *B*: interchange of the sides no longer possible in the same equation. Such an interchange transforms *B* into *C*.

↓ In form *C*, the antagonism develops into a contradiction: one commodity is general equivalent *because* all others are not.

161:1 Finally, the last form, *C*, gives to the world of commodities a general social relative form of value, because, and in so far as, all commodities except one are thereby excluded from the equivalent form. A single commodity, the linen, therefore has the form of direct exchangeability with all other commodities, in other words it has a immediately social form because, and in so far as, no other commodity is in this situation.²⁴

↑ This also means: as soon as a general equivalent exists, direct barter is marginalized. This is even enforced by modern anti-trust laws. “Reciprocity agreements,” i.e., agreements of the sort: I buy this from you if you buy that from me, are illegal. Two firms are not allowed to co-operate so as to protect themselves from the market at large.

So far, Marx had emphasized: linen is general equivalent because the other commodities are not. The flip side of this is: linen does not share the *relative* form of value of the other commodities:

161:2 The commodity that plays the role of General equivalent is on the other hand excluded from the uniform and therefore General relative form of value. If the linen,

jedes der beiden Warenextreme, wie Leinwand und Rock, gleichmäßig bald in der relativen Wertform, bald in der Äquivalentform.

Es kostet hier noch Mühe, den polarischen Gegensatz festzuhalten.

82:4 In der Form II kann immer nur je eine Warenart ihren relativen Wert total entfalten oder besitzt sie selbst nur entfaltete relative Wertform, weil und sofern alle andren Waren sich ihr gegenüber in der Äquivalentform befinden. Hier kann man nicht mehr die zwei Seiten der Wertgleichung—wie 20 Ellen Leinwand = 1 Rock oder = 10 Pfd. Tee oder = 1 Qtr. Weizen etc.—umsetzen, ohne ihren Gesamtcharakter zu verändern und sie aus der totalen in die allgemeine Wertform zu verwandeln.

82:5 Die letztere Form, Form III, endlich

gibt der Warenwelt allgemein-gesellschaftliche relative Wertform, weil und sofern, mit einer einzigen Ausnahme, alle ihr angehörigen Waren von der allgemeinen Äquivalentform ausgeschlossen sind. Eine Ware, die Leinwand, befindet sich daher in der Form unmittelbarer Austauschbarkeit mit allen andren Waren oder in unmittelbar gesellschaftlicher Form, weil und sofern alle andren Waren sich nicht darin befinden.²⁴

83:1 Umgekehrt ist die Ware, die als allgemeines Äquivalent figuriert, von der einheitlichen und daher allgemeinen relativen Wertform der Warenwelt ausgeschlossen.

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or any other commodity serving as General equivalent, were, at the same time, to share in the relative form of value, it would have to serve as its own equivalent. We should then have: 20 yards of linen = 20 yards of linen, a tautology in which neither value nor its magnitude is expressed.

Marx calls “20 yards of linen = 20 yards of linen” here a “tautology,” while his formulation in 139:7/o suggested that this equation does have a meaning although it is no longer an expression of value. This is one of the places where Marx is a little inconsistent in his argument.

In order to express the relative value of the General equivalent, we must rather reverse form C. This equivalent has no relative form of value in common with other commodities; its value is, rather, expressed relatively in the infinite series of all other physical commodities. Thus the Expanded relative form of value, or form B, now appears as the specific relative form of value of the equivalent commodity.

This expression of the value of money is relevant because the seller no longer compares the value of his commodity with the use-value of the equivalent, but with the bundle of use-values which a given sum of money can buy.

Sollte die Leinwand, d.h. irgendeine in allgemeiner Äquivalentform befindliche Ware, auch zugleich an der allgemeinen relativen Wertform teilnehmen, so müßte sie sich selbst zum Äquivalent dienen. Wir erhielten dann: 20 Ellen Leinwand = 20 Ellen Leinwand, eine Tautologie, worin weder Wert noch Wertgröße ausgedrückt ist.

Um den relativen Wert des allgemeinen Äquivalents auszudrücken, müssen wir vielmehr die Form III umkehren. Es besitzt keine mit den andren Waren gemeinschaftliche relative Wertform, sondern sein Wert drückt sich relativ aus in der endlosen Reihe aller andren Warenkörper. So erscheint jetzt die entfaltete relative Wertform oder Form II als die spezifische relative Wertform der Äquivalentware.

Transition from the General Form of Value to the Money Form

162:1 The General equivalent form is one of the forms of value. Any commodity can therefore be the General equivalent. However whatever commodity it is, it is only in General equivalent form (form C) because and in so far as all other commodities exclude it from their ranks and treat it as the equivalent. And it is not until this exclusion has once and for all confined itself to one specific kind of commodity, that the uniform relative form of value of the whole world of commodities has gained objective fixity and general social validity.

The transition from forms A to B to C was driven by the defects of these forms, their insufficiencies in expressing value. The transition from C to D, by contrast, is driven by an inner tension in form C itself. The General equivalent form is a form of value which can be assumed by every commodity, but this form has a very exclusive character: if one commodity is in this form, all other commodities are excluded from it. This tension between arbitrariness and uniqueness can only be resolved by a social act which fixes one commodity as

83:2 Die allgemeine Äquivalentform ist eine Form des Werts überhaupt. Sie kann also jeder Ware zukommen. Andrseits befindet sich eine Ware nur in allgemeiner Äquivalentform (Form III), weil und sofern sie durch alle andren Waren als Äquivalent ausgeschlossen wird. Und erst vom Augenblick, wo diese Ausschließung sich endgültig auf eine spezifische Warenart beschränkt, hat die einheitliche relative Wertform der Warenwelt objektive Festigkeit und allgemein gesellschaftliche Gültigkeit gewonnen.

General equivalent.

162:2 As for the specific kind of commodity, with whose natural form the equivalent form socially grows together, it becomes the money commodity, or assumes money functions.

83:3/o Die spezifische Warenart nun, mit deren Naturalform die Äquivalentform gesellschaftlich verwächst, wird zur Geldware oder funktioniert als Geld.

I avoided the formulation “functions as money” although this is what Marx wrote, because in chapter Three, the function of money as money is distinguished from its function as measure of value or means of circulation. In other words, here the translation tries to use a more consistent terminology than Marx himself.

Fowkes translates this passage as: “The specific kind of commodity with whose natural form the equivalent form is socially interwoven now becomes the money commodity, or serves as money.” The social coalescence Marx talks about here does not have the character of an interweaving. Interweaving

implies the harmonious merger of two things that fit together. Marx writes “verwächst,” not “zusammenwächst,” which connotes the growing together of two things which have nothing in common, like a tree growing together with a rock that is in its way.

↑ Note that Marx writes here “become.” The fixing of the role of general equivalent on one specific kind of commodity (gold) is only the beginning of money. In chapter Three, section 3, Marx says that a second social act, namely the adoption of the same commodity as means of circulation, will be necessary before the money-commodity becomes full-fledged money.

Playing the part of General equivalent within the world of commodities becomes its specific social function and consequently its social monopoly. In form *B*, the commodities figure as Particular equivalents of linen, and in form *C* they jointly express their relative values in linen; now there is one particular commodity which has historically conquered this favored position: gold. If, then, in form *C*, we replace the linen with gold, we get:

Es wird ihre spezifisch gesellschaftliche Funktion, und daher ihr gesellschaftliches Monopol, innerhalb der Warenwelt die Rolle des allgemeinen Äquivalents zu spielen. Diesen bevorzugten Platz hat unter den Waren, welche in Form II als besondere Äquivalente der Leinwand figurieren und in Form III ihren relativen Wert gemeinsam in Leinwand ausdrücken eine bestimmte Ware historisch erobert, das Gold. Setzen wir daher in Form III die Ware Gold an die Stelle der Ware Leinwand, so erhalten wir:

1.3.D. Money Form

162:3

20	yards of linen	=	}
1	coat	=	
10	lb. tea	=	
40	lb. coffee	=	
1	quarter of corn	=	
$\frac{1}{2}$	ton of iron	=	
x	commodity A	=	
etc.			

2 ounces
of gold

162:4 Fundamental changes have taken place in the course of the transition from

84:1

20	Ellen Leinwand	=	}
1	Rock	=	
10	Pfd. Tee	=	
40	Pfd. Kaffee	=	
1	Qtr. Weizen	=	
$\frac{1}{2}$	Tonne Eisen	=	
x	Ware A	=	

2 Unzen
Gold

84:2 Es finden wesentliche Veränderungen statt beim Übergang von Form I zu

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form *A* to form *B* and from form *B* to form *C*.

↑ By implication, the difference between *C* and *D* is *not* fundamental.

As against this, there is no difference between forms *C* and *D*, except that gold instead of linen has now assumed the General equivalent form. Gold is in form *D* what linen was in form *C*: the General equivalent. The advance consists only in that the form of direct and general exchangeability, in other words the General equivalent form, has now by social custom irrevocably become entwined with the specific bodily form of the commodity gold.

Not the form as such differs, only the use-value this form is attached to. “Gold” and “linen” in this passage must be understood metaphorically. Gold stands for a specific commodity which is by social custom always in the General equivalent form, while “linen” stands for a General equivalent which is decided case by case, perhaps because it is most convenient for the situation at hand. This seems to be only a subtle difference, but it has important implications. The welding together of a particular use-value with a particular form of value generates a true novelty, and the functions of money in chapter Three show how fertile this combination is.

In the German original, the word “spezifisch” was used once in 162:1, twice in 162:2, and once in 162:4. This term is also used

elsewhere, e.g., in 188:2, see my annotations there, and in Contribution, 303:4/o. Despite the apparent significance of this term,

the Moore-Aveling translation does not use the word “specific” here.

This particular use-value was gold because this use-value conforms best with the properties of a General equivalent (see chapter Two, 183:2/o about that). The next paragraph shortly sketches how gold started out as an ordinary commodity and gradually conquered the position of being recognized everywhere as the General equivalent. Only after this has been accomplished has there been a difference between the General form of value with gold as the equivalent, and the Money form of value.

162:5/o Gold confronts the other commodities as money only because it previously confronted them as a commodity. Like all other commodities, one of its functions was that of an equivalent, either a Simple equivalent in isolated exchanges, or a Particular equivalent alongside other commodity-equivalents. Gradually it began to serve as General equivalent in narrower or wider circles. As soon as it has won the monopoly of this position in the value expression of the world of commodities, does it become the money commodity. And only from the moment that it has already become

Form II, von Form II zu Form III.

Dagegen unterscheidet Form IV sich durch nichts von Form III, außer daß jetzt statt Leinwand Gold die allgemeine Äquivalentform besitzt. Gold bleibt in Form IV, was die Leinwand in Form III war—allgemeines Äquivalent. Der Fortschritt besteht nur darin, daß die Form unmittelbarer allgemeiner Austauschbarkeit oder die allgemeine Äquivalentform jetzt durch gesellschaftliche Gewohnheit endgültig mit der spezifischen Naturalform der Ware Gold verwachsen ist.

84:3 Gold tritt den andren Waren nur als Geld gegenüber, weil es ihnen bereits zuvor als Ware gegenüberstand. Gleich allen andren Waren funktionierte es auch als Äquivalent, sei es als einzelnes Äquivalent in vereinzelten Austauschakten, sei es als besondres Äquivalent neben andren Warenäquivalenten. Nach und nach funktionierte es in engeren oder weiteren Kreisen als allgemeines Äquivalent. Sobald es das Monopol dieser Stelle im Wertausdruck der Warenwelt erobert hat, wird es Geldware, und erst von dem Augenblick, wo es bereits Geldware geworden ist, unterscheidet sich

the money commodity, does form *D* differentiate itself from form *C*, i.e., does the General form of value transform itself into the Money form.

Form IV von Form III, oder ist die allgemeine Wertform verwandelt in die Geldform.

This answers the question, posed in 139:1, of the genesis of the Money form, but it does not show in what respects the Money form differs from the General form of value. What Marx calls here the Money form is not a new form of value but the coalescence of the General equivalent with a specific use-value. This creates something new, which will be explored in chapter Three.

Exam Question 272 *The difference between the Money form (under the gold standard) and the General equivalent form is small; nevertheless it has important implications. Elaborate.* 2007fa, 2007SP, 2005fa, 2004fa, 2003fa, 2002fa, 2001fa, 2000fa, 1999SP, 1997ut, 1997sp, 1996sp, 1995WI.

Question 273 (Tue Sep 14–Thu Sep 16) Compare Marx's derivation of money with the derivations of money in modern Economics 2009fa, 2008SP, 2007fa, 2007SP.

Next Marx mentions briefly what becomes of the relative form of value when the equivalent form turns into the Money form.

163:1 The Simple relative expression of the value of some commodity, such as linen, in the commodity which already functions as the money commodity, such as gold, is the price form. The 'price form' of the linen is therefore: 20 yards of linen = 2 ounces of gold, or, if 2 ounces of gold when coined give £ 2, 20 yards of linen = £ 2.

84:4 Der einfache relative Wertausdruck einer Ware, z.B. der Leinwand, in der bereits als Geldware funktionierenden Ware, z.B. dem Gold, ist Preisform. Die „Preisform“ der Leinwand daher: 20 Ellen Leinwand = 2 Unzen Gold oder, wenn 2 Pf.St. der Münzname von 2 Unzen Gold, 20 Ellen Leinwand = 2 Pf.St.

This discussion will be continued in much more detail in chapter Three, see 189:1. In the last paragraph of section 1.3, Marx returns from *D* back to *A* and thus concludes the circle.

163:2 The only difficulty in the comprehension of the Money form is that of grasping the General equivalent form or, more broadly, of the General form of value, form *C*. Form *C* can be reduced by working backwards to form *B*, the Expanded form of value, and its constitutive element is form *A*: 20 yards of linen = 1 coat or *x* commodity *A* = *y* commodity *B*. The Simple commodity form is therefore the germ of the Money form.

85:1 Die Schwierigkeit im Begriff der Geldform beschränkt sich auf das Begreifen der allgemeinen Äquivalentform, also der allgemeinen Wertform überhaupt, der Form III. Form III löst sich rückbezüglich auf in Form II, die entfaltete Wertform, und ihr konstituierendes Element ist Form I: 20 Ellen Leinwand = 1 Rock oder *x* Ware *A* = *y* Ware *B*. Die einfache Warenform ist daher der Keim der Geldform.

The first edition, 43:4, brings a transitional paragraph here which reiterates what Marx considered the most important finding of this section:

As one sees, the analysis of the commodity yields all *essential* determinations of the *form of value*. It yields the form of value itself, in its opposite moments, the *General relative form of value*, the *General equiv-*

Man sieht: die Analyse der Ware ergibt alle *wesentlichen* Bestimmungen der *Wertform* und die *Wertform* selbst in ihren gegensätzlichen Momenten, die *allgemeine relative Wertform*, die *allgemeine Äquivalentform*,

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alent form, finally the never-ending series of Simple relative value expressions, which first constitute a transitional phase in the development of the form of value, in order to eventually turn into the specific relative form of value of the General equivalent.

Marx distinguishes here between general commodity, and specific value forms, which cannot.

However the analysis of the commodity yielded these forms as forms of the commodity in general, which can therefore be taken on by every commodity—although in a polar manner, so that when commodity A finds itself in one form determination, then commodities B, C, etc. assume the other in relation to it.

↓ The last sentence is especially significant.

It was however of decisive importance to discover the inner necessary connection between form of value, substance of value, and magnitude of value, i.e., expressed ideally, to prove that the form of value springs from the concept of value.

The German word is “ideell” and not “ideal”; i.e., this is not a wrong

(idealistic) expression, but it is the reflection of this reality in theory.

One might translate it as: “expressed epistemically.”

endlich die nie abschließende Reihe einfacher relativer Wertausdrücke, welche erst eine Durchgangsphase in der Entwicklung der Wertform bildet, um schließlich in die spezifisch relative Wertform des allgemeinen Äquivalents umzuschlagen.

value forms, which can be assumed by any

Aber die Analyse der Ware ergab diese Formen als Warenformen überhaupt, die also auch jeder Ware zukommen, nur gegensätzlich, so daß wenn die Ware A sich in der einen Formbestimmung befindet, die Waren B, C, usw. ihr gegenüber die andre annehmen.

Das entscheidend Wichtige aber war den inneren notwendigen Zusammenhang zwischen Wertform, Wertsubstanz und Wertgröße zu entdecken, d.h. ideell ausgedrückt, zu beweisen, daß die Wertform aus dem Wertbegriff entspringt.

Marx did not begin with the concept of value to derive from it the form of value, but he began with the analysis of a concrete object of practical activity, namely, the commodity. Then at the end he can step back and summarize his findings with the words: the form of value springs from the concept of value. This is a reversal of Hegel, the necessity of which is best seen if one translated it into the core-surface paradigm: Marx tried to show in this derivation that monetized market relations are the appropriate surface relations which induce the economic agents, who interact in this way on the surface, to produce value in the core of the economy.

Question 276 (Tue Sep 14–Thu Sep 16) Compare the discussion of section 1.3 in these Annotations here with the discussion of section 1.3 in [Sek97, vol. 1, pp. 34 ff.].

1.4. The Fetish-Like Character of the Commodity and its Secret

In the first German edition of *Capital*, chapter One ended with a seven-page passage about the fetish-like character of the commodity, starting at 44:1. For the second German edition, Marx profoundly revised this passage and almost doubled its length. But even the second edition must be considered incomplete. Marx discusses here a set of questions which are extremely important for understanding capitalism and the possibilities to overcome it.

1.4. Fetish-Like Character and its Secret

Although Marx does not divide section 1.4 into subsections, these Annotations divide it into five parts. The whole section is an analysis of the sources and implications of what Marx calls the mysterious character of the commodity. Marx first gives a characterization of what the mysterious character of the commodity *consists in* (subsection 1.4.a) and then asks where it *comes from* (1.4.b). Since social relations take the form of mysterious objective phenomena, scientific efforts are necessary to understand these phenomena enough so that “successful” action within this framework is possible. This is the origin of “bourgeois economics,” which is discussed in subsection 1.4.c. Subsection 1.4.d gives four examples of societies in which social relations do not take a mystified form, followed by a short sketch of the correspondence between religion and the relations of production. Subsection 1.4.e is related to 1.4.c; it points out the theoretical errors, the “fetishism,” of bourgeois political economy. The subtitles for these subsections are given in square brackets because they do not come from Marx.

Before our detailed commentary of section 1.4 can begin, we must look at its title, which reads, in German, “*Der Fetischcharakter der Ware und sein Geheimnis*.” Usually, “*Fetischcharakter der Ware*” is translated with “commodity fetishism.” However, a more accurate translation would be “fetish-like character of the commodity.” Marx distinguishes between “fetishism,” which is a false “story” guiding practical activity, and “fetish-like character,” which is a property in fact possessed by social relations. Commodities have a *fetish-like character*, while members of capitalist society often display *fetishism* (systematized in “bourgeois economics”). Fetishism and bourgeois economics will be discussed in subsections 1.4.c and 1.4.e. A brief allusion to fetishism is already given at the end of 1.4.a, but the early parts of this section focus on the *fetish-like character* of the commodity.

In the Moore-Aveling translation, the title is: “The Fetishism of Commodities and the Secret

Thereof.” Fowkes translated it as “The Fetishism of the Commodity and its Secret.” Both are wrong.

The French edition says correctly: “Le caractère fétiche de la marchandise et son secret.”

Exam Question 277 What is the difference between commodity fetishism and the fetish-like character of commodities? 2009fa, 2008SP, 2007SP, 2005fa, 2004fa, 2003fa, 2001fa.

1.4.a. [Exactly Which Aspects of the Commodity are Mysterious?]

Marx begins his discussion with the statement that commodities are “mysterious.” By this he means that the social relations encapsulated in the commodities are not visible to or controlled by the commodity owners. Then he asks where exactly in the commodity is this mystery located. He rules out the use-value (163:3/o) and the *content* of the value determinations (164:1), in order to arrive at the *commodity form* of the product (164:2). To illustrate the mysterious character of the commodity form, Marx brings analogies of the eye and religion (164:3/o). Afterwards, in what we call subsection 1.4.b, Marx will go on to investigate the *origin*, in the relations of the producers in the production process, of this mysterious character of their products on the surface of the economy.

163:3/o At first glance, a *commodity* seems to be something obvious and trivial. | 85:2 Eine *Ware* scheint auf den ersten Blick ein selbstverständliches, triviales Ding.

↑ A commodity seems to be something “obvious and trivial”—namely, a useful object with simple properties that are easily examined and understood. ↓ In the next sentence, Marx says that the scientific analysis of this seemingly simple object shows that it is really something complicated. One would expect that scientific analysis begins with something

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complex and reduces it to something more simple. If one already starts with something simple, how can research make it more complex? Because the simple surface properties turned out to be *contradictory*. In order to resolve these contradiction, Marx had to dig deeper and uncovered so-to-say a busy inner life beneath the commodities' bland appearances:

But its analysis brings out that it is quite intricate, abounding in metaphysical hairsplitting and theological niceties.

Ihre Analyse ergibt, daß sie ein sehr vertracktes Ding ist, voll metaphysischer Spitzfindigkeit und theologischer Mucken.

↑ Each word in the above sentence refers to one of the results of the earlier analysis:

- The commodity is “intricate”—because it has many determinations, it has not only use-value but also value, which manifests itself in various forms—from the simple exchangeability of two commodities to the power of money to buy everything.
- It engages in “metaphysical hairsplitting”—because in the commodity itself, these multiple determinations are undeveloped, so that one needs the powers of abstraction to grasp them. (See First edition, [28:6/o](#)).
- It abounds in theological niceties—because money can be compared to the god of commodities, as Marx did in the First edition, [37:1](#).

These references to the First edition were necessary because the sentence under discussion was already present in the First edition, while two of the specific places this sentence seems to refer to did not make it into the later editions.

The commodity has properties which do not come from its physical body, and which reveal their origin only in distorted ways. This comes out most strikingly in the three peculiarities of the equivalent form, [148:1](#): use-value becomes the form in which value manifests itself; concrete labor the form in which abstract labor, and private labor the form in which social labor manifests itself. Indeed, in *Contribution*, the commodity fetishism section consisted of one long paragraph [275:1/o](#) taking the place of the *fourth peculiarity*. Also in *Capital*, one can find the fetish-like character enumerated in parallel with these peculiarities, see chapter Three, p. [208:2/o](#).

Question 278 (*Fri Sep 17–Mon Sep 20*) Which evidence prompts Marx to say, at the beginning of the Commodity Fetishism section, that the commodity is “intricate” or “mysterious”? [2009fa](#), [2008fa](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [1996ut](#), [1996sp](#), [1995ut](#), [1995WI](#).

Question 279 (*Fri Sep 17–Mon Sep 20*) In Capital [163:3/o](#) Marx says that the commodity is “intricate” or “mysterious,” while in his Notes on Wagner, [\[mecw24\]544:6/o](#) he says it is simple. What gives?

Marx calls the commodity “intricate” or, in the next sentence, “mysterious,” immediately after giving a theory which fully explains the commodity. The mysterious character is therefore not a reflection of our ignorance about the commodity. The commodity is mysterious because the simple social relations which our analysis revealed in the commodity are not expressed in the commodity in a straightforward manner but lead to contradictory and contorted surface expressions. Marx asks now: what is it about those underlying simple relations which prevents them from being expressed in a simple way? He proceeds here in two steps. First, following his earlier analysis, he cuts the commodity into several (conceptual) pieces and asks which of these pieces is mysterious (i.e., leads to contradictory expressions). In his

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own words, this is the question where the mysterious character of the commodity is located. And after having identified those elements and ruled out others, his next question is: what is it in those elements that causes their expressions to be contradictory? This is the question about the source of the mysterious character.

Question 280 (*Fri Sep 17–Mon Sep 20*) *If the commodity, empirically, is not mysterious, but its scientific analysis reveals that it has a mysterious character, doesn't this mean that the scientific analysis is wrong?* [2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#).

Question 283 (*Fri Sep 17–Mon Sep 20*) *Comment on the following statement: “After a long and tedious explanation of the commodity, Marx surprises his reader at the end of chapter One with the assertion that the commodity is mysterious. This is Marx’s last-ditch effort to drag commodity production into the dirt, after his own analysis could not turn up much that is wrong with it. Ironically, Marx admits here that his explanation of the commodity is less than satisfactory, since it mystifies something that is really plain and simple.”* [2008SP](#), [2007SP](#), [2004fa](#), [2003fa](#).

↓ First therefore, Marx looks where the mysterious character of the commodity is located.

Many economic phenomena in capitalism have an *outwardly* “magical” character. The power of money to purchase everything, or the power of capital to grow quasi on its own accord, sudden financial crises and breakdowns of economic growth, inflation, unemployment, stock market booms and busts, salaries which have nothing to do with the skills or experience of the recipient, the tendency of wealth to concentrate rather than dissipate, even modern consumerism, i.e., people’s over-attachment to things, and the social status conveyed by the clothes one wears or the car one drives—in all these phenomena the economy seems to have a separate “life.” Although the economy is the product of the economic agents, it seems to be independent of them.

Modern economics does not admit that the economy is beyond the control of the economic agents. The theory of *rational expectations* is a good example for an explanation according to which the mysterious phenomena of modern capitalism are the outgrowth of nothing other than pure human rationality in the absence of full information. At most, modern economics finds irrationality at the level of individual behavior (Keynes), but never in the social structure as such.

Far from denying the mysterious character of the commodity, Marx considers it so important that he interrupts his analysis of the social forms themselves, in order to understand why they are mysterious. But instead of picking out some of the many *outwardly* mysterious phenomena, he tries to find the root of this magic by investigating the mysterious character of the *commodity*, of the “elementary” social form, see [125:1](#). The commodity already contains in an undeveloped form many of the determinations of money and capital, and Marx asserts that also the outwardly magical and self-acting characters of money and capital have their root in the more subtle mysteries of the commodity.

Exam Question 287 *Why does Marx explore the mysterious character of the commodity, which is bland and abstract, instead of picking up one of the many striking outwardly mysterious phenomena of capitalism?* [2008fa](#), [2008SP](#), [2007fa](#), [2007SP](#), [2004fa](#), [2003fa](#), [2002fa](#).

Question 288 (*Fri Sep 17–Mon Sep 20*) *Whether the commodity is “mysterious” or not is a value judgment which can neither be proved nor disproved. Do you agree? What*

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would Marx say about this? [2008fa](#), [2008SP](#), [2007fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2000fa](#), [1997ut](#), [1996sp](#), [1995WI](#).

In the next few paragraphs, Marx asks: exactly which aspect of the commodity is mysterious? Since Marx is looking for an absence here, the absence of clarity and control, he uses an elimination argument: he rules out all those cases where clarity is *present*.

As the first step in this elimination, Marx rules out the commodity's use-value.

So far as it is a *use-value*, there is nothing mysterious about the commodity, whether we consider it from the point of view that, by its properties, it satisfies human needs, or that it first obtains these properties as the *product* of human labor.

The next passage focuses on the second alternative, the production process:

The activity by which man changes the forms of the materials of nature in a manner useful to him is entirely accessible to the senses. The form of the wood, for instance, is altered when a table is made out of it. Nevertheless the table is still a piece of wood, an ordinary thing which can be seen and touched.

↑ The production process is entirely accessible to the senses, a more literal translation would be: it is clear to the senses that mankind changes the forms of the natural materials. This is a process which one can fully experience with one's senses, as opposed to the social processes investigated in this book, which are not part of the empirical experience.

Soweit sie *Gebrauchswert*, ist nichts Mysteriöses an ihr, ob ich sie nun unter dem Gesichtspunkt betrachte, daß sie durch ihre Eigenschaften menschliche Bedürfnisse befriedigt oder diese Eigenschaften erst als *Produkt menschlicher Arbeit* erhält.

Es ist sinnenklar, daß der Mensch durch seine Tätigkeit die Formen der Naturstoffe in einer ihm nützlichen Weise verändert. Die Form des Holzes z.B. wird verändert, wenn man aus ihm einen Tisch macht. Nichtsdestoweniger bleibt der Tisch Holz, ein ordinäres sinnliches Ding.

Question 289 (*Fri Sep 17–Mon Sep 20*) Isn't it reductionism to say that the table is wood, as Marx says in [163:3/o](#)? And what about tables made from other materials? [2009fa](#).

Doesn't Marx set up a straw man here? Would anyone seriously think that the use-value of commodities, or the process producing this use-value, is mysterious? Marx's denial of the mysterious character of use-value is worded very carefully. Marx chose formulations emphasizing the *transformational* character of production. (This transformational character was already addressed earlier in [133:2/o](#) and its footnote 13.) Marx's secret message here is that anyone who does not hold this transformational view believes in miracles. In other words, Marx is using the first, trivial step in his elimination to promote a transformational view of material production, instead of a view in which production creates something out of nothing.

Material production changes the form of things in a useful manner. This process is based on science, not magic; therefore it does not lead to the loss of social control. But things look different when the social context of production is considered, i.e., when the article is no longer seen as a mere use-value but as a commodity:

But, as soon as the table steps forth as a *commodity*, it changes into something that has extrasensory features attached to its sensuous existence. It not only stands with its feet on the ground, but in relation to all other

Aber sobald er als *Ware* auftritt, verwandelt er sich in ein sinnlich übersinnliches Ding. Er steht nicht nur mit seinen Füßen auf dem Boden, sondern er stellt sich allen andren Waren gegenüber auf den Kopf

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commodities it turns itself on its head, and evolves out of its wooden brain grotesque ideas, far spleenier than if it suddenly were to begin dancing.²⁵

“Aus freien Stücken”: Fowkes’s translation “of its own free will” has connotations to “will” which do not belong here. Perhaps one

und entwickelt aus seinem Holzkopf Gril-
len, viel wunderlicher, als wenn er aus freien
Stücken zu tanzen begänne.²⁵

could say “of its own whim, accord.” The translation here uses “suddenly” because this implies spontaneity and self-activity. It is

also inspired by the French “que si elle se mettait à danser.”

↑ Marx brings again several colorful metaphors referring to similar aspects of the commodity as his formulations in the second sentence of 163:3/o. Whereas the former metaphors emphasized that the commodity contained forces which are not obvious to those handling the commodities, the present metaphors indicate that the commodity acts on its own accord:

- As a commodity, a table is sensuous *and* extrasensory—because it is not only the product of useful labor but at the same time the accumulation of abstract labor. In 164:3/o Marx will use the formulation “sensuous-extrasensory or social.”
- In relation to all other commodities, the table stands on its head.—This is a reference to the three peculiarities of the equivalent form, in which the form itself is the exact opposite of that what this form represents and regulates.
- The table evolves out of its wooden brain grotesque ideas.—Since value manifests itself in the relation between commodities, the commodities seem to be animated beings with their own intentions and social relations.

The metaphor in this last item shows that Marx considers economic laws to be *tendencial*. The results of the analysis of the commodity earlier in chapter One are compared here to a “spleen” in the commodity’s head, i.e., as a *tendency* to act in a certain way, not necessarily any particular action itself. Only the higher forms of capitalist wealth (money and especially capital) depend on it, for their existence, that these tendencies are enacted.

Commodities are the unity of use-value and value. Since use-value has been ruled out, Marx looks now whether the mysterious character of the commodity can have something to do with value.

164:1 The mystical character of the com-
modity does not arise, therefore, from its
use-value.

85:3/o Der mystische Charakter der Ware
entspringt also nicht aus ihrem Gebrauchs-
wert.

↑ This summarizes the results of the previous paragraph.

No more does it spring from the content of
the determinations of *value*.

Er entspringt ebensowenig aus dem Inhalt
der *Wertbestimmungen*.

Moore and Aveling translated
“Inhalt” with “nature.” But in the
modern usage of the word

“nature,” not only *Inhalt* but also
Form would be considered part of
the commodity’s nature. Marx is

trying to say something much
narrower here.

↑ This formulation may create the impression that we will also come up empty-handed if we look at value. But this impression is false. Marx does not say that the mysterious character does not come from value. He says that it does not come from the *content* of the

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value determinations, i.e., from the (social) stuff value is made of. The “content” (*Inhalt*) of the value determinations must be distinguished here from the social *form* which this content takes in a commodity society. The first edition, 44:2/o, formulates the same idea a little differently:

No more does it spring from the determinations of *value*, considered for themselves | Er entspringt ebensowenig aus den *Wertbestimmungen*, für sich selbst betrachtet.

“Considered for themselves” means: considered not as determinations of value but in their own right. Stepping out of the Hegelian form-content paradigm, one might say: the mysterious character does not come from those aspects of the social production process which are regulated by the value relations between the commodities. (If formulated this way, Marx’s next step in 164:2 follows immediately: it must come from the commodity form, i.e., from the objectified surface relations which regulate these aspects of social production. But let us discuss things in order.)

From various earlier places (most clearly expressed in the two transitional passages in the first edition of *Capital*, 21:2 and 42:4) we know that Marx distinguishes between three *determinations of value*: (α) its substance, (β) its quantity, and (γ) its form. The *content* of these determinations, i.e., the stuff which these aspects of value are made out of, are (α) human labor in the abstract (i.e., the expenditure of labor-power), (β) socially necessary labor-time, and (γ) a social relation on the surface of the economy (the form of value is exchange-value, which is a social relation).

In order to prove that the mysterious character does not spring from the content of the value determinations, Marx argues that these three kinds of stuff themselves are not mysterious, and/or that they are not peculiar to commodity-producing societies but can also be found in societies which are not mysterious. Regarding (α) the argument is:

For in the first place, however varied the useful labors or productive activities might be, it is a *physiological* truth that they are functions of the *human* organism, and that each such function, whatever may be its nature or its form, is essentially the *expenditure of human brain, nerves, muscles, sense organs, etc.*

Denn erstens, wie verschieden die nützlichen Arbeiten oder produktiven Tätigkeiten sein mögen, es ist eine *physiologische* Wahrheit, daß sie Funktionen des *menschlichen* Organismus sind und daß jede solche Funktion, welches immer ihr Inhalt und ihre Form, wesentlich *Verausgabung von menschlichem Hirn, Nerv, Muskel, Sinnesorgan usw.* ist.

The word “essentially” here indicates that it is not possible to eliminate all effort out of the production process. Although production uses natural forces, it is not the spontaneous outcome of these natural forces. Nature has to be directed by humans to have the effect that humans desire. This “directing” the natural forces, rather than giving in to them, is an activity which requires effort. Physicists know that energy is needed to keep a system in a state of low entropy. This here is an analogous situation.

The “physiological truth” that all production is the expenditure of human labor-power makes it *possible*, but by no means necessary, that all labor-powers be treated by society as parts of the same homogeneous mass. This is exactly what Marx says in 150:2. The examples of the other societies, which will be given later in this section, starting with 169:2/o, show that not all societies treat their labor-powers as one homogeneous mass.

Question 290 (Fri Sep 17–Mon Sep 20) What is an “essential” property of something? What can be said in support of Marx’s claim that labor is “essentially” expenditure of human brain, nerves, muscles, sense organs, etc.? 2008fa, 2007fa, 2007SP, 2005fa, 2004fa,

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[2003fa](#), [2002fa](#), [2001fa](#).

Question 291 (*Fri Sep 17–Mon Sep 20*) *Do you know production processes in which humans participate without having to spend any effort?* [2009fa](#), [2008fa](#), [2008SP](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#).

Question 292 (*Fri Sep 17–Mon Sep 20*) *Skip forward to subsection 1.4.d, pp. 169:2/o – 171:2/o, and describe the social role played by the fact that all labor is the expenditure of human labor-power in the Robinson example and the other examples of non-capitalist societies given there.* [1997ut](#), [1996sp](#).

Point (β), the quantity of value, is discussed as follows:

Secondly, regarding that which underlies the determination of the magnitude of value, namely, the *duration* of that expenditure or the *quantity* of labor, this *quantity* is even palpably distinguishable from the *quality* of labor.

Was zweitens der Bestimmung der Wertgröße zugrunde liegt, die *Zeitdauer* jener Herausgabe oder die *Quantität* der Arbeit, so ist die *Quantität* sogar sinnfällig von der *Qualität* der Arbeit unterscheidbar.

Question 293 (*Fri Sep 17–Mon Sep 20*) *What does Marx mean with the “palpable difference between quality and quantity of labor,” and why is this adduced as evidence that the contents of the value determination are not mysterious?* [2008fa](#), [2002fa](#), [2001fa](#).

One can only conjecture what Marx might have meant with the “palpable difference” between quantity and quality of labor. Perhaps Marx refers to the fact that the quantity of value is not given by the actual labor-time but by the socially necessary labor-time—a difference which can be deadly. But even if one ignores this remark, the argument given in the next sentence rules out labor-time as a mysterious element in commodity production:

In all states of society, the labor *time* it costs to produce the means of subsistence must necessarily concern mankind, although not to the same degree at different stages of development.²⁶

In allen Zuständen mußte die *Arbeitszeit*, welche die Produktion der Lebensmittel kostet, den Menschen interessieren, obgleich nicht gleichmäßig auf verschiedenen Entwicklungsstufen.²⁶

Since this is valid *generally*, the mystery cannot come from labor-time. Even a society that is not mystified must take labor-time into consideration.

²⁶ Note to the 2nd edition. The old Germans counted the area of an acre of land according to a day's labor, and therefore the acre was also called Tagwerk (also Tagwanne) (jurnale or jurnalnis, terra jurnalnis, jornalis or diurnalis), Mannwerk, Mannskraft, Mannsmaad, Mannshauet etc. Compare Georg Ludwig von Maurer, “Einleitung zur Geschichte der Mark-, Hof-, usw. Verfassung,” München 1854, p. 129 sq.

²⁶ Note zur 2. Ausg. Bei den alten Germanen wurde die Größe eines Morgens Land nach der Arbeit eines Tages berechnet und daher der Morgen Tagwerk (auch Tagwanne) (jurnale oder jurnalnis, terra jurnalnis, jornalis oder diurnalis), Mannwerk, Mannskraft, Mannsmaad, Mannshauet usf. benannt. Sieh Georg Ludwig von Maurer, „Einleitung zur Geschichte der Mark-, Hof-, usw. Verfassung“, München 1854, p. 129 sq.

Question 294 (*Fri Sep 17–Mon Sep 20*) *Compare the one function of labor-time in the Robinson example, p. 169:2/o, with the two functions of labor-time in the example of an “association of free men,” i.e., of a communist society given on p. 171:2/o in subsection 1.4.d.* [2007SP](#), [1997ut](#), [1996sp](#), [1995ut](#), [1995WI](#).

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Now point (γ), the *form* of value:

And finally, whenever men work for each other in any way, their labor also assumes a *social* form.

Endlich, sobald die Menschen in irgendeiner Weise füreinander arbeiten, erhält ihre Arbeit auch eine *gesellschaftliche* Form.

This sentence is closely related to 138:2/o, and can be paraphrased as: whenever people are not independent self-sufficient producers, but production is part of the social web in which they find themselves, there must be interpersonal interactions between the producers. There is no mystery involved in this either.

Question 295 (Fri Sep 17–Mon Sep 20) *The armchair socialist (Kathedersozialist) Adolf Wagner wrote that Marx “finds the common social substance of exchange-value . . . in labour.” Marx, in his Notes about Wagner, [mecw24]534:1, strenuously objects. What, if anything, is wrong with Wagner’s formulation? 2007fa, 2004fa.*

Question 296 (Fri Sep 17–Mon Sep 20)

Since use-value is not mysterious, the commodity’s mysterious character must come from value.

a. *Is a commodity mysterious because it takes labor, i.e., the expenditure of human brain, nerves, muscles, etc., to produce it?*

b. *Is a commodity mysterious because the question how much time it takes to produce it is relevant for society at large?*

c. *Is a commodity mysterious because the labors performed in a commodity-producing society are part of an overall social labor process?*

d. *Is there another aspect of the value of the commodity which was overlooked here that might be mysterious? 2008SP, 2003fa, 2000fa, 1998WI.*

The First edition brings now the Robinson example and the example of a communist society, which is in the later editions moved to 169:2/o and 171:2/o. These example societies are scrutinized for the roles played by those characteristics of social labor which under commodity production make up the three determinations of value. In these example societies, these roles are *not* mystified. This provides further evidence that the content of the value determinations is not mysterious. By pointing out the different roles they play in different societies, Marx also clarifies his distinction between the *content* of the value determinations taken by themselves, and the context in which they are awarded social significance: In commodity-producing society, they are attached to the use-values of the products as their *values*.

164:2 From where, then, arises the mysterious character of the product of labor, as soon as it assumes the *form of a commodity*? Obviously from this form itself.

86:1 Woher entspringt also der rätselhafte Charakter des Arbeitsprodukts, sobald es *Warenform* annimmt? Offenbar aus dieser Form selbst.

Marx formulates here the results of the elimination argument in such a way that the answer lies directly in the question, so that it seems almost trivial. However Marx achieves this effect only by switching without warning from the form of value to the commodity-form of the product. (Such a “warning” was present in the first edition, where Marx gave his examples of non-commodity societies which were not mysterious. After moving these examples to a different place, the transition has become a little abrupt.) By commodity-form of the product Marx means the fact that in a market society, those three underlying social necessities which Marx calls the contents of the value determinations are regulated by the interactions of the commodities on the surface of the economy as values.

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Marx looks now in detail at these market interactions, to verify whether they are indeed mysterious. And he finds a huge *discrepancy, incongruity*, between the character of those market interactions themselves and that what they regulate. Proceeding methodically, Marx contrasts the content of (α) – (γ) with the forms this content takes in commodity-producing society. Regarding (α) , Marx writes:

The equality of all human labors obtains the bodily form of the equal value quasi-materiality of all products of labor, ...

Die Gleichheit der menschlichen Arbeiten erhält die sachliche Form der gleichen Wertgegenständlichkeit der Arbeitsprodukte, ...

An attribute of labor in the production process is represented on the surface as an attribute of things. And what is a physiological truth with respect to labor, becomes, once it is attached to the finished product, a social abstraction with no basis in the natural world. “So far no chemist has ever discovered exchange-value either in a pearl or a diamond.” (177:3–4). Only the attributes of *concrete* labor are engraved in the use-value of the product, but this use-value does not reveal how much labor-time was used to produce it, and how much of this labor-time stands up under the test of being “socially necessary.” Nevertheless, in a commodity society, the abstract labor used to produce the products is treated as if it was an additional natural property of the product itself. Now (β) :

... the measure of labor by time takes the form of the quantity of the value of the commodities, ...

... das Maß der Verausgabung menschlicher Arbeitskraft durch ihre Zeitspanne erhält die Form der Wertgröße der Arbeitsprodukte, ...

↑ Society’s allocation of labor is not based on the actual labor-time spent, but on the results of haggling on the market place, on the success or failure of marketing campaigns. Finally (γ) :

... and finally the relations between the producers, in which those social determinations of their labors assert themselves and are sustained, take the form of a social relation between the products of labor.

... endlich die Verhältnisse der Produzenten, worin jene gesellschaftlichen Bestimmungen ihrer Arbeit betätigt werden, erhalten die Form eines gesellschaftlichen Verhältnisses der Arbeitsprodukte.

My translation of this last passage needs an explanation. As I said earlier, one of the important differences between Marxist and neoclassical economics is that Marxism does not reduce the social relations to the individual. The social connection, in which individuals are embedded, pre-exists the individuals and cannot be explained by looking at the individuals themselves. If one looks at the relations of production in a commodity economy, the hiatus between social and individual sphere is even wider, since individual producers and consumers interact in the market, i.e., on the surface of the economy, which is dislocated from production. The mysterious self-activity of the commodity, i.e., the fact that the economy has its own dynamics and follows its own laws, has to do with this irreducibility and dislocation.

The relationship between individual agency and the social context by which it is enabled and constrained is therefore a very special one. On the one hand, nothing happens in a society without individuals carrying it out. On the other hand, and that will only be developed fully in the present section, individual conscious activity becomes the motor through which the blind necessities of the economic structure assert themselves. The ramifications of this are discussed in more detail in [Bha89b, pp. 66–77]. Marx used a special word for this intricate relationship: the social relations “*betägten sich*” (become active) or “*werden betätigt*” (are acted out) in the practical activity of the individuals. It is an unusual use of

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this word, even in German, and in translations, its meaning is often completely obliterated. In the present passage I translated it with the phrase “assert themselves and are sustained” in order to capture the two channels that must exist in this relationship: “assert themselves” refers to channel (1), while “are sustained” refers to channel (2).

Whereas Marx stressed before that it is not mysterious *that* people stand in contact with each other, the paragraph under discussion addresses the form of this contact, which is indeed mysterious: it is a contact between the *products*.

Question 297 (*Fri Sep 17–Mon Sep 20*) Compare the three discrepancies (α)–(γ) between form and content of the value determinations with the three peculiarities of the equivalent form.

The next long sentence summarizes the three points of the last paragraph, without using the framework of “form” versus “content” of the “value-determinations,” but explaining in simple terms what this means:

164:3/o What is mysterious about the commodity form is therefore simply that the social characteristics of men's own labor are reflected back to them as objective characteristics inherent in the products of their labor, as quasi-physical properties of these things,

By “social characteristics of labor” in commodity-producing society Marx means the fact that all labor counts as a homogeneous fraction of society's pool of labor-power, and its quantity is the socially necessary labor-time needed to produce the products. See e.g. 166:1. I.e., these are points (α) and (β) above. Two things are happening: (1) all labor is reduced to abstract human labor, and (2) this reduction is not achieved by a direct interaction between the producers during the production process, but through the confrontation of the finished products on the market. For the individual producer this means that her labor is integrated into social aggregate labor by the exchange relations which her *product* has with other products. This is point (γ) above, which Marx summarize next. Marx uses the phrase “social aggregate labor” (*Gesamtarbeit*) to designate the social labor in a commodity producing society, which consists of many labors performed privately. Presumably Marx chose this somewhat awkward formulation in order to avoid the connotation that it is collective labor:
and that therefore also the social relation of the producers to the aggregate labor is reflected as a social relation of objects, a relation which exists apart from and outside the producers.

In the draft to the revisions of the first German edition, which were published only recently in [Mar87a, p. 38:5], Marx says explicitly that the reduction of concrete labor to human labor in the abstract is the specific way how commodity producers relate their private labor to socially aggregate labor:

The reduction of the different useful labors, which produce just as many different useful things, to *human labor that counts as equal*, as well as the joint measurement of this labor by its necessary length of time, are ob-

86:2/o Das Geheimnisvolle der Warenform besteht also einfach darin, daß sie den Menschen die gesellschaftlichen Charaktere ihrer eigenen Arbeit als gegenständliche Charaktere der Arbeitsprodukte selbst, als gesellschaftliche Natureigenschaften dieser Dinge zurückspiegelt,

daher also auch das gesellschaftliche Verhältnis der Produzenten zur Gesamtarbeit als ein außer ihnen existierendes gesellschaftliches Verhältnis von Dingen.

Die Reduktion der verschiedenen Arbeiten, welche ebenso viele verschiedene nützliche Dinge produciren, auf *gleichgeltende menschliche Arbeit*, wie das gemeinsame Messen dieser Arbeit durch ihre nothwen-

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viously nothing other than a specific manner how the producers relate to their aggregate labor, a social relation, which the producers enter within production and with respect to production.

The social relations regulating material production in a society are called “relations of production,” and some modern Marxists have adopted the useful distinction between relations *in* production and relations *of* production. In the last sentence ↑, Marx himself makes this distinction when he distinguishes between relations “within” production and relations “with respect to” production.

Question 298 (*Fri Sep 17–Mon Sep 20*) Explain how value denotes a specific relation of production and not just the general relationship between a producer and his product. [2008fa](#), [2007SP](#).

Now let us return to Marx’s text in *Capital*.

Through this *quid pro quo*, the products of labor become commodities, sensuous things which are at the same time extrasensory or social.

In order to treat their products as commodities, the economic agents have to engage in this “*quid pro quo*” (interchange, substitution between social relations of people and material relations of things), i.e., they have to act as if these products had their social properties by nature.

Next, Marx gives two analogies, first the eye and then religion, in order to emphasize the importance and wide-ranging ramifications of this substitution.

In the same way, the impact of light, emanating from some exterior object, on the optic nerve, is perceived not as a subjective stimulation of that nerve, but as the physical shape of the exterior object.

dige Zeitspanne, ist offenbar nichts als ein bestimmtes Verhalten der Produzenten zu ihrer Gesamtarbeit, ein gesellschaftliches Verhältnis, welches Personen innerhalb der Produktion und mit Bezug auf dieselbe eingehen.

Durch dieses Quidproquo werden die Arbeitsprodukte Waren, sinnlich übersinnliche oder gesellschaftliche Dinge.

So stellt sich der Lichteindruck eines Dings auf den Sehnerv nicht als subjektiver Reiz des Sehnervs selbst, sondern als gegenständliche Form eines Dings außerhalb des Auges dar.

Does this mean that the mystification of the commodity relation is no greater than the mystification of seeing through one’s eyes? Is the market simply society’s retina through which it looks at its sphere of production? On the one hand one can say this, yet there is an important difference. The light giving rise to the nervous impulses comes from physical objects, which emit or reflect light according to their physical properties. The visual representation of these objects, which the brain constructs from the nervous impulses in the eye, gives information about these physical properties and thus helps humans, who are physical beings, to move about in the physical world and interact with it. This interaction uses the same laws of physics which would prevail in the outside world also without this interaction. By contrast, the properties which the commodities display on the market are *socially* generated, i.e., they are generated by the activity of the same human beings who are handling these objects. I.e., when the economic agents try to take advantage, in their activity, of the social properties of those objects, they change by their activity the very social properties they are trying to exploit. The summary of the analogy of the eye in Table 1.1 tries to draw attention to this.

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<p>The stimulation of my optical nerve by light coming from a thing outside is experienced in my brain as the shape (i.e. a physical property) of a thing outside me.</p> <p>But in the act of seeing, the light stimulating my optical nerve comes from a physical thing outside the eye;</p>	<p>The relation of my labor to social aggregate labor is experienced in my practical activity as the exchange-value (i.e. a quasi-physical property) of my product.</p> <p>whereas in commodity production, that what I experience as quasi-physical properties of the things I am handling is the result of my own activity.</p>
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Table 1.1.: Correspondence Table for Analogy of Eye

Question 300 (*Fri Sep 17–Mon Sep 20*) *What corresponds to what in the example with the eye? Give a list of correspondences, like: retina—capitalist class (this one is of course a joke), etc. To what extent is this an appropriate example, and where does the analogy have its limits?* [2009fa](#), [2005fa](#), [2003fa](#).

Here is Marx's own explanation of the limitations of the analogy of the eye:

In the act of seeing, however, light is in fact transmitted from one thing, the exterior object, to another thing, the eye. It is a physical relation between physical things. As against this, the commodity form of the products of labor, and the value relation in which it represents itself, have absolutely nothing to do with the physical nature of the products or with any relations they have as physical objects.

Why is it so problematic that a social relation presents itself as a quasi-physical property of the products? Because physical properties are exogenous to human activity, while the social relations are endogenous:

It is the specific social relation of the people themselves which assumes for them, as in an optical illusion, the form of a relation of things.

Aber beim Sehen wird wirklich Licht von einem Ding, dem äußeren Gegenstand, auf ein andres Ding, das Auge, geworfen. Es ist ein physisches Verhältnis zwischen physischen Dingen. Dagegen hat die Warenform und das Wertverhältnis der Arbeitsprodukte, worin sie sich darstellt, mit ihrer physischen Natur und den daraus entspringenden dinglichen Beziehungen absolut nichts zu schaffen.

Es ist nur das bestimmte gesellschaftliche Verhältnis der Menschen selbst, welches hier für sie die phantasmagorische Form eines Verhältnisses von Dingen annimmt.

“Phantasmagoria” is, according to the *Oxford English Dictionary*, “a name invented for an exhibition of optical illusions chiefly by means of the magic lantern, first

exhibited in London in 1802. This word will be used again in the French translation of [166:2/o](#). Moore-Aveling has: “assumes, in their eyes, the fantastic form,” Paul

and Paul have: “which, in their eyes, has here assumed the semblance of a relation between things,” and Fowkes has: “assumes for them the fantastic form.”

Marx says (in a more literal translation than the one given above) that social relations take a “phantasmagorical” form, using a word that was coined for an exhibition of *optical*

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illusions in London 1802. In an optical illusion, you think that you are seeing something outside the eye which is really generated inside the eye. This is a good metaphor for the circularity of the commodity relation.

Question 301 (*Fri Sep 17–Mon Sep 20*) *In 164:3/o, Marx uses the eye as an analogy but also points out the limitations of this analogy. Earlier, in section 3, p. 148:3/o, Marx had used the weighing of a sugar-loaf as an analogy, and had described the limitations of this earlier analogy in similar words. Compare these two analogies and their limitations. 2004fa, 1998WI.*

The *circularity* implied in the representation of *social* relations as quasi-physical properties of *things* is also suggested by Marx's formulations at the beginning of the present paragraph 164:3/o “are reflected back to them,” and in the last sentence just discussed: “the specific social relation of the people *themselves* . . . assumes *for them*” (my emphasis all three times). The laws of nature are the prerequisites of human activity, while social relations are its product. The quid pro quo which turns the product of labor into a commodity implies therefore that people treat the *outcome* of their own activity as if it was its nature-given objective *prerequisite*. But without a clear separation of observer and the thing observed, science is not possible. This is why it is so difficult to overcome the mystification of the commodity.

In its dealings with nature, mankind has learned to subordinate the laws of nature to individual purposes. Nature not only imposes constraints and necessities but is also an enabling and liberating force. Material production tames nature by subordinating its forces to human will. In a commodity-producing society, in which things are endowed with social powers, individuals attempt to use the *social* properties of things for their personal benefit in a similar way as material production takes advantage of the natural properties of things. They try to instrumentalize these social properties, but instead of tapping into the natural resources and thus expanding the powers of humanity they unwittingly end up drawing on the energies of others in society. This may be advantageous for a minority but cannot work for everyone. It does not truly work for anybody, because, instead of being able to direct the social forces to their benefit, individuals become the blind executors of social laws which they do not control.

Modern attempts at individual emancipation from *society* imitate the successful emancipation from *nature*. And although Marx is all in favor of subjective emancipation, the method which is used here, this imitation, dooms them to failure. It remains a chase after optical illusions, or an effort to build a perpetuum mobile, or an attempt to strengthen oneself by drinking one's own blood. By trying to pursue *their* goals, while at the same time heeding the seemingly objective constraints which “the market” imposes on them, and which they do not recognize as being of their own making, individuals become the mere executors of the inner tendencies of the commodity.

As long as individuals follow this route, they will not be able to duplicate the successes which they had in dealing with the physical world. This route will not allow individuals to transform their social relations into a benign and beneficial backdrop for their individual purposes. Instead, these attempts lead to the subjugation and instrumentalization of one part of society by another—and to the subordination of everyone, whether they are on the “giving” or the “receiving” end of this exploitative relationship, to the blind laws of capital accumulation.

In capitalist society, the individuals' subordination to social laws is the result of a failed attempt to emancipate themselves from them. This contrasts sharply with the more “di-

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rect” integration of the individual into social relations prevailing in earlier historical periods, which usually amounted to a forced subjection of individual motives to an overriding social purpose. In *Grundrisse*, 83:2/o, Marx emphasizes this difference:

Only in the eighteenth century, in ‘civil society’, do the various forms of the social connection confront the individual as nothing more than a means, subordinated to his private purposes, as an extraneous necessity.

Erst in dem 18. Jahrhundert, in der „bürgerlichen Gesellschaft“, treten die verschiedenen Formen des gesellschaftlichen Zusammenhangs dem Einzelnen als bloßes Mittel für seine Privatzwecke entgegen, als äußerliche Notwendigkeit.

I translated this sentence in such a way that the interpretation which I consider the correct one comes out clearly. Since Marx did not say “merely a means for his private purposes” (*bloß als ein Mittel für*) but “a mere means” (*als bloßes Mittel*) I assume he did not intend

to say that the purposes were merely private (as opposed to the “higher” social purposes), but he wanted to emphasize that the social connection was not something commanding respect in its own right but was degraded to nothing more than a means. The

word “*äußerlich*” (extraneous) connotes a degradation as well: the social connection is not seen as the culmination of private interests, but as a constraint and obstacle coming in from the outside.

Here is another *Grundrisse* quote, from , where Marx says the same thing at greater length: That the social connection resulting from the collision of independent individuals appears with respect to them simultaneously both as objective necessity and as external bond, represents *exactly their independence*, for which *social being, though a necessity*, is no more than a *means, and therefore appears to the individuals themselves as something external, and in money, even as a tangible thing*. They produce in and for society, as social individuals, but at the same time this appears as a mere means to objectify their individuality.

Daß der gesellschaftliche Zusammenhang, der durch den Zusammenstoß der unabhängigen Individuen entsteht, zugleich als sachliche Notwendigkeit, und zugleich als ein äußerliches Band gegenüber ihnen erscheint, stellt eben ihre *Unabhängigkeit* dar, für die das gesellschaftliche Dasein zwar Notwendigkeit, aber nur *Mittel ist, also den Individuen selbst als ein Äußerliches erscheint, im Geld sogar als ein handgreifliches Ding*. Sie produzieren in und für die Gesellschaft, als gesellschaftliche, aber zugleich erscheint dies als bloßes Mittel ihre Individualität zu vergegenständlichen.

In capitalism, the individual tries to instrumentalize the social connections for his or her individual purposes, and fails. It is even worse than a failure, because the social connection ends up using the individual’s self-directed activity as the motor for its own blind purposes of capital accumulation.

Although Marx hints at this circularity in various ways, he never addresses it explicitly. His most explicit mention of this circularity is the analogy of *religion*, which comes next. Marx describes the social reality of religion by how individuals perceive it, i.e., he tacitly switches over to a new subject: instead of the *fetish-like character* of the commodity he discusses now the *fetishism* of the commodity producers.

In order, therefore, to find an analogy we must take flight into the misty realm of religion. There the products of the human brain seem to be independent beings endowed with a life of their own, which enter into relations with each other and with

Um daher eine Analogie zu finden, müssen wir in die Nebelregion der religiösen Welt flüchten. Hier scheinen die Produkte des menschlichen Kopfes mit eignem Leben begabte, untereinander und mit den Menschen im Verhältnis stehende selbständige Gestal-

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the human race. So it is in the realm of commodities with the products of people's hands.

ten. So in der Warenwelt die Produkte der menschlichen Hand.

The religious analogy is catchy, but it should not cause the reader to think that the fetish-like character of the commodity is merely a matter of an illusion. Whether or not people are aware of the social origin of the quasi-physical properties of the commodity—in their daily dealings in a commodity society, they are forced to *act* as if the commodities were things which had these social properties just as firmly attached to them as their physical properties. For someone who is forced to act in this way, it is *easy* to slip into thinking that these social properties of the commodities really come from their physical makeup. And society relies on these “slips”: capitalistic social relations can only maintain themselves if most of the people most of the time “forget,” in their practical actions, that the powers of the things which they are trying to take advantage of originate in their own activity. But it is far from impossible to pierce that veil, and nobody individually is *forced* to see the commodity this way. Marx calls this false consciousness “fetishism.”

This I call the fetishism, which sticks to the products of labor as soon as they are produced as commodities, and which is therefore inseparable from the production of commodities.

Dies nenne ich den Fetischismus, der den Arbeitsprodukten anklebt, sobald sie als Waren produziert werden, und der daher von der Warenproduktion unzertrennlich ist.

Moore and Aveling translate it as “fetishism inherent in

commodities,” although “anklebend” is the direct opposite

of “inherent.”

This is the first time that Marx uses the word “fetishism” rather than “fetish-like character.” The formulations “inseparable” and “sticks to” indicate that fetishism is not a property of the commodities themselves, but something which can be avoided only with great effort by those who handle commodities. Just as it is very difficult to avoid getting tar on oneself if one handles things covered with tar.

Here are some more examples of Marx’s usage of the word “fetishism.” In 176:1, Marx again uses the term “fetishism attached to” in the context of an illusion (*Schein*). In *Results*, last sentence of 982:1/o, Marx writes: “This constitutes a basis for the fetishism of political economists.” Although fetishism *sticks to* the commodity, it is the fetishism “*of*” whoever is deceived by the fetish-like character. *Capital II*, 303:2, has a formulation which can be taken as a good definition of “fetishism”:

Furthermore this brings to completion the fetishism peculiar to bourgeois political economy, the fetishism which mistakes the social, economic character, which is impressed on things in the social process of production, for a natural character stemming from the material nature of these things.

Ferner vollendet sich damit der der bürgerlichen Ökonomie eigentümliche Fetischismus, der den gesellschaftlichen, ökonomischen Charakter, welchen Dinge im gesellschaftlichen Produktionsprozeß aufgeprägt erhalten, in einen natürlichen, aus der stofflichen Natur dieser Dinge entspringenden Charakter verwandelt.

Question 303 (Fri Sep 17–Mon Sep 20) How does Marx’s use of the term “fetishism” compare with its modern dictionary definition? [2009fa](#), [2008fa](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#), [1999SP](#), [1998WI](#), [1996ut](#), [1996sp](#), [1995ut](#), [1995WI](#).

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Readers in the modern U.S.A. often interpret the term “commodity fetishism” to mean an excessive devotion to material goods. I have no evidence that Marx ever used it in this way. And today’s often-heard admonition that one should not “overemphasize” material goods is most of the time merely an attempt to console oneself about one’s poverty by thinking poverty is desirable. For the minority who are affluent enough that this is an issue, however, this overemphasis derives from the fetish-like character of commodities. Material possessions become too important because they are the individual’s only link to society: conspicuous consumption compensates for the paucity of *direct* social relations. People feel how much power things have, and they want to retrieve some of this power for themselves by owning these things.

Question 304 (*Fri Sep 17–Mon Sep 20*) *Modern advertising specialists know that consumers often buy a certain product not because they need this particular article, but because they are trying to compensate for other unmet needs. These compensatory demands are important for the economy because they are insatiable. Advertising addresses them whenever it suggests that social recognition, happiness, etc. are connected with the possession of a certain object.*

Is this what Marx meant by the “fetish-like character of the commodity,” or does it contradict it, or would Marx’s theory give rise to amendments of this theory? [2008SP](#), [2007fa](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [1997ut](#), [1997sp](#), [1997WI](#), [1996sp](#), [1995ut](#), [1995WI](#).

Question 305 (*Fri Sep 17–Mon Sep 20*) *Mark Blaug writes in [Bla85, p. 268:2]: “Commodity ‘fetishism’ refers to the tendency to reify commodities, to treat what are in fact social relations between men as if they were relations between things.” Right or wrong?* [2008fa](#), [2007fa](#), [1996sp](#).

1.4.b. [The Secret of the Fetish-Like Character]

The metaphor which compares people’s *fetishism* with religious superstition jumps ahead a little bit, since the development so far had focused on the *fetish-like character* of the commodity, but it is a fitting transition Marx’s next question. The argument in section 1.4.a shows clearly that Marx does not consider the mysterious character of the commodity to be a reflection of lack of knowledge or false consciousness by the individuals handling the commodities, but a property of the commodity itself. Now Marx looks at the core of the economy, where the commodity is produced, in order to see whether there is something in the core which is responsible for the mysterious character of the commodity. In other words, he is trying to decipher the “secret” of the fetish-like character of the commodity.

Textual evidence that Marx considered this so-called “secret” as a separate question is given in [mecw]. That Marx found the question worth asking is also clear from footnote 77a in chapter Twenty-Five, paragraph 771:1/o.

In the preceding subsection 1.4.a we have learned: the commodities’ mysterious fetish-like character lies in the incongruity, dissonance, between the commodity form of the product on the surface and the underlying social relations in the core which these surface forms regulate. People’s *social* relations appear to them as *material* properties of their products, the *outcome* of their activity appears to them as its *prerequisite*. The surface appearances are not only misrepresentations, giving a distorted view of the social relations (as we will get to know in chapter Nineteen), but the entire causality is reversed. The surface agents are not only thrown into an environment in which their social relations are hidden from them, but

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they are also prevented to learn from their experiences, because these experiences are the reflection of their own actions.

Marx devotes the present subsection 1.4.b to the question whether we can find something in production that is responsible for the mysterious character of the commodities on the surface. I.e., Marx asks: is there something in the way people relate to each other in production, i.e., not on the market surface but in the core of the economy itself, which already predisposes them to lose control over their social relations?

Question 307 (*Fri Sep 17–Mon Sep 20*) *Make a thought experiment comparing market production, in which an artisan produces something for sale, to community production, in which the same artisan knows the people who will use the things he is producing, and these are the same people who are producing the things the artisan is consuming. If you were this artisan, would you act differently in the market situation than in the community situation? Would, over time, the use-value of your product and the technology of your labor evolve differently in these two situations?* [2008fa](#), [2008SP](#), [1997ut](#), [1997sp](#), [1997WI](#), [1996ut](#), [1996sp](#), [1995ut](#), [1995WI](#).

At the beginning of this investigation, Marx surprises us with the claim that we already know the answer:

165:1 As the foregoing analysis has already demonstrated, this fetish-like character of the world of commodities has its origin in the peculiar social character of the labor which produces them.

87:1 Dieser Fetischcharakter der Warenwelt entspringt, wie die vorhergehende Analyse bereits gezeigt hat, aus dem eigentümlichen gesellschaftlichen Charakter der Arbeit, welche Waren produziert.

“*Fetischcharakter der Warenwelt*” is, in both English editions,

translated incorrectly with “fetishism.”

In a draft version of this passage, Marx is a little more explicit:

[mew] If we ask the further question where this fetish-like character of the commodity stems from, this *secret* has already been resolved by the preceding analysis. It springs from the *special social character of labor* which produces commodities, and the corresponding *peculiar social relation of the commodity producers*.

[megaiII/6]39:5 Fragen wir nun weiter, woher dieser Fetischcharakter der Waare, so ist dieß *Geheimniß* bereits gelöst durch die vorhergehende Analyse. Er entspringt aus dem besondern gesellschaftlichen Charakter der Arbeit, welche Waaren producirt, und dem entsprechenden eigenthümlich gesellschaftlichen Verhältniß der Waarenproducenten.

The foregoing analysis has indeed shown that the forms which give the commodity its fetish-like character are expressions of the inner nature of value. See for instance First Edition, 43:4. And the most important aspect in this inner nature of value, its “pivot” 131:2/o, is the double character of labor. If the double character of labor leads to mysterious expressions on the surface, it is important to know how this double character of labor is experienced by the producers themselves:

165:2/o Objects of utility become commodities only because they are *the products of private labors conducted independently of each other*. All these private labors to-

87:2 Gebrauchsgegenstände werden überhaupt nur Waren, weil sie *Produkte voneinander unabhängig betriebener Privatarbeiten* sind. Der Komplex dieser Privatarbeiten

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gether constitute the aggregate social labor. Since the producers do not come into social contact until they exchange the products of their labors, the specific social characteristics of their private labors appear only within this exchange.

bildet die gesellschaftliche Gesamtarbeit. Da die Produzenten erst in gesellschaftlichen Kontakt treten durch den Austausch ihrer Arbeitsprodukte, erscheinen auch die spezifisch gesellschaftlichen Charaktere ihrer Privatarbeiten erst innerhalb dieses Austausches.

“Überhaupt” means: articles of utility not only owe their fetish-like character but more

generally their entire being commodities to the double character of labor. I left it out in

the translation.

“Appear” means here not only that the social relations are unknown before the exchange. These relations already exist before the exchange, on the one hand because of the real interdependence in society, and on the other because of what the economic agents expect to be the case. But these relations are only *actualized*, put to the practical test and either validated or refuted after production itself is already finished. Only when it is already too late do the economic agents enter a framework in which they can interact and act on their relations:

In other words, the private labors take effect, through their activity, as elements of the social aggregate labor only through the connections which the act of exchange establishes between the products and, through the products’ mediation, between the producers.

Oder die Privatarbeiten betätigen sich in der Tat erst als Glieder der gesellschaftlichen Gesamtarbeit durch die Beziehungen, worin der Austausch die Arbeitsprodukte und vermittelst derselben die Produzenten versetzt.

What does this mean for the practical activity of the producers in the production process itself? This is an investigation of the *direct interactions between the producers of commodities*, which are sometimes called the relations *in production* or the *mode of production in the narrow sense*. Commodities are produced privately, i.e., the producers do not have direct contact with each other while they are producing. But these private labors can keep the producers alive only as social labor [Mar87a, p. 38:1], only to the extent to which they can prove themselves as social labor. The validation of their private labors as social labor, the reality test, and any practical activity necessary to reconcile this after-the-fact reality with the already finished production, happens retroactively through the success which the products have on the market.

Marx draws two implications from this. On the one hand, the producers themselves are not deceived: they see the inversion, which was at the heart of the fetish-like character of the commodity at the market, as what it is:

To the producers therefore, the social relations between their private labors *appear* as what they *are*, i.e., not as direct social relations of persons during their labor processes themselves, but rather as *material relations of persons and social relations of things*.

Den letzteren *erscheinen* daher die gesellschaftlichen Beziehungen ihrer Privatarbeiten als das, was sie *sind*, d.h. nicht als unmittelbar gesellschaftliche Verhältnisse von Personen in ihren Arbeiten selbst, sondern vielmehr als *sachliche Verhältnisse* der Personen und *gesellschaftliche Verhältnisse* der Sachen.

Question 308 (Fri Sep 17–Mon Sep 20) One of Marx’s basic critiques of capitalism is that the surface appearances are false, they hide what is going on underneath. But in the section about the fetish-like character Marx seems to deny this critique since he says that the

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relations of their private labors appear to the producers as what they are. Can this be reconciled? [2009fa](#), [2008fa](#), [2004fa](#).

In the first edition p. [47:2](#), the formulation is less dramatic:

The social relations of their labors *are* and *appear* therefore not as immediately social ...

Die gesellschaftlichen Beziehungen ihrer Arbeiten *sind* und *erscheinen* daher nicht als unmittelbar gesellschaftliche ...

The parallel use of “are” and “appear” leads here to a grammatical inconsistency, because “appear” requires “as” while “are” cannot be used together with “as.” Perhaps Marx re-worded the sentence in the second edition only in order to straighten out the grammar, although after this change, this sentence sounded much deeper and more mysterious. On the other hand, this is not the only place where Marx uses this more mysterious formulation. *Contribution*, [321:5](#) says that commodities can only relate to one another as what they are, and in a different context, Marx says in *Capital II*, [137:3](#), that the capitalist production process appears in the circulation process as what it is.

Question 309 (*Fri Sep 17–Mon Sep 20*) *Give an example of social relations between persons that take the form of “material relations of persons,” and an example of social relations between persons that take the form of “social relations of things.”* [2008SP](#), [2007fa](#), [2004fa](#), [1999SP](#), [1998WI](#), [1997sp](#), [1997WI](#), [1995ut](#), [1995WI](#).

On the other hand, the fact that they see this inversion does not undo this inversion, they are still stuck in it:

[166:1](#) It is only during the exchange that the products of labor acquire a uniform social objectivity as values, which is distinct from their varied sensuous objectivities as use-values.

[87:3/o](#) Erst innerhalb ihres Austauschs erhalten die Arbeitsprodukte eine von ihrer sinnlich verschiedenen Gebrauchsgegenständlichkeit getrennte, gesellschaftlich gleiche Wertgegenständlichkeit.

Does this mean that their labors are not yet equal, because the exchange which sets the products equal happens after the production process is finished? Of course not. The producers anticipate the market during production and react to the market when they continue production. Therefore they shape the direct production process according to the requirements of the market:

This division of the product of labor into a useful thing and an embodiment of value is only then carried out in practice when exchange has become sufficiently extensive and important to allow useful things to be produced for the exchange, so that their character as values is already taken into account during production. From this moment on, the labor of the private producer in fact acquires a twofold social character.

Diese Spaltung des Arbeitsprodukts in nützliches Ding und Wertding betätigt sich nur praktisch, sobald der Austausch bereits hinreichende Ausdehnung und Wichtigkeit gewonnen hat, damit nützliche Dinge für den Austausch produziert werden, der Wertcharakter der Sachen also schon bei ihrer Produktion selbst in Betracht kommt. Von diesem Augenblick erhalten die Privatarbeiten der Produzenten tatsächlich einen doppelten gesellschaftlichen Charakter.

How do the producers take heed of the market outcomes during the production process? The market sanction which everybody tries to guard against is of course that the goods cannot be sold at a profitable price. However this inability to fetch an appropriate price can be due to two quite different reasons: either the good is not needed, or the production

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methods for this good are not efficient enough. Marx distinguishes these two mechanisms in the next passage:

On the one hand it must, as a specific useful kind of labor, satisfy a specific social need, and thus prove itself as an element of the aggregate labor, as a branch of the spontaneously developed social division of labor. On the other hand, it can satisfy the manifold needs of its own producer only in so far as each particular useful private labor can be exchanged with, i.e., counts as the equal of, every other kind of useful private labor.

Sie müssen einerseits als bestimmte nützliche Arbeiten ein bestimmtes gesellschaftliches Bedürfnis befriedigen und sich so als Glieder der Gesamtarbeit, des naturwüchsigen Systems der gesellschaftlichen Teilung der Arbeit, bewähren. Sie befriedigen andererseits nur die mannigfachen Bedürfnisse ihrer eignen Produzenten, sofern jede besondere nützliche Privatarbeit mit jeder anderen nützlichen Art Privatarbeit austauschbar ist, also ihr gleichgilt.

This is the double character of labor. Labor must fit into the division of labor as concrete labor, and all labor must be equal as abstract labor.

Question 313 (*Fri Sep 17–Mon Sep 20*) What is the connection between the fetish-like character of the commodity and the double character of labor? [2008fa](#), [2004fa](#).

The economic agents, who observe these market sanctions, see that the market equalizes their products, but they do not experience their labors themselves as equal—although their labors *must* be equal for the products to be equal, as Marx emphatically reiterates in the next passage:

Equality of entirely different kinds of labor can be arrived at only by an abstraction from their real inequality, by a reduction to the characteristic they have in common, that of being the expenditure of human labor-power, being *human labor* in the abstract.

Die *Gleichheit toto coelo verschiedner Arbeiten* kann nur in einer *Abstraktion von ihrer wirklichen Ungleichheit* bestehen, in der Reduktion auf den gemeinsamen Charakter, den sie als *Verausgabung menschlicher Arbeitskraft*, abstrakt *menschliche Arbeit*, besitzen.

Toto coelo means “entirely,” and it refers to verschieden, not to Gleichheit! The French translation

p. 54:2/o makes this clear:
“equality of the labors which *toto coelo* differ from each other.” Also

the Moore-Aveling translation has it right, but Fowkes got it wrong.

In the French edition, p. 54:2/o, an additional sentence follows now, which is missing in the German or the English editions, although one can find it in the draft manuscript for the second German edition, [[Mar87a](#), p. 41]. This additional sentence emphasizes that the exchange forces the producers to equalize their labors; they do not equalize them because their democratic convictions that everyone is equal.

Only the exchange accomplishes this reduction by bringing into mutual presence on an equal footing the products of the most diverse labors.

... et c'est l'échange seul qui opère cette réduction en mettant en présence les uns des autres sur un pied d'égalité les produits des travaux les plus divers.

Instead of accepting the equality of their labors as a deliberate unifying principle of society, the producers draw their view of their place in society from the practical activity necessary to protect themselves from the detrimental sanctions of the market:

The private producer's brain reflects this twofold social character of his private labor

Das Gehirn der Privatproduzenten spiegelt diesen doppelten gesellschaftlichen Cha-

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only in the forms in which it manifests itself in his practical interactions, the exchange of products.

rakter ihrer Privatarbeiten nur wider in den Formen, welche im praktischen Verkehr, im Produktaustausch erscheinen—

The producer considers the social character of his labor only (the German “*nur*” has almost the meaning of *merely*) under the perspective of the practical exigencies of the exchange. Is it significant that Marx uses a very passive formulation for this kind of thinking (“his brain reflects”). It is a spontaneous act quite different from the mental efforts that would be necessary to penetrate through the fetishized appearances of commodities. The producer orients himself *merely* by the surface reactions, instead of directly addressing the core connections of which he is a part. (This displacement of his attention from core to surface will be summarized once more explicitly at the beginning of the next paragraph 166:2/o.)

The next passage give more detail how the two sides of the double character of labor represent themselves to the direct producer:

The socially useful character of his private labor presents itself to the producer in the form that the product of labor has to be useful, not to him but to others, and the social character of equality of the various kinds of labor presents itself in the form of a common value-character possessed by these materially different things, the products of labor.

—den gesellschaftlich nützlichen Charakter ihrer Privatarbeiten also in der Form, daß das Arbeitsprodukt nützlich sein muß, und zwar für andre—den gesellschaftlichen Charakter der Gleichheit der verschiedenartigen Arbeiten in der Form des gemeinsamen Wertcharakters dieser materiell verschiedenen Dinge, der Arbeitsprodukte.

↑ Although the formulation “the private producer’s brain reflects” may sound as if this reflection was an illusion generated by false surface appearances, this is not the case here. That the product has to be useful for others, and that it has to contain as much as possible of whatever makes them exchangeable (value), are not false surface appearances. But the producers’ attention on the market is again an inversion between cause and effect. The next three paragraphs contrast what the producers are doing in their inverted reactions to the market to what would be the case in a more rational system.

The next three long paragraphs form a unit which is broken out here as section 1.4.c. However the first of these paragraphs begins with a three-sentence summary of the results of section 1.4.b, therefore it will be discussed already here. It emphasizes what the social relations of commodity production are *for* the individuals in those relations:

166:2/o People do not therefore bring the products of their labor in relation to each other as *values* because they regard these objects as *the mere material shells* of homogeneous human labor. They proceed in the reverse order: by equating, in the exchange, the different *products to each other as values*, they equate their own different labors as human labor. They do this without knowing it.²⁷

88:1 Die Menschen beziehen also ihre Arbeitsprodukte nicht aufeinander als *Werte*, weil diese Sachen ihnen als *bloß sachliche Hülle* gleichartig menschlicher Arbeit gelten. Umgekehrt. Indem sie ihre verschiedenartigen *Produkte einander* im Austausch als *Werte* gleichsetzen, setzen sie ihre verschiedenen Arbeiten als menschliche Arbeit gleich. Sie wissen das nicht, aber sie tun es.²⁷

Not even the producers know the character of the social ties which organize production. They do not view the exchange as an arrangement arising from known social conditions, or serving certain agreed-on social purposes which go beyond exchange itself, but as a given environment in which they have to prove *themselves*. This drives them to atomistic compe-

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tition. They do not see the role their own labor plays in their social relations. This is why they are unable to take control of their social relations.

Some of Marx's formulations here raise the question whether he thought the producers should be criticized for their failure to go beyond the surface. At the very end of chapter Two, in 187:1, Marx blames the fetish-like character of the commodity on the atomistic behavior of the individual producers. However, in the French edition, which is the last edition edited by Marx himself, this criticism of the individual producers was cut out again. There are two more omissions in the French edition. The passage which we discussed last, in 166:1 is omitted, and also paragraph 165:1 is omitted, which announces that the origin of the fetish-like character must be found in the production process.

Marx emphasizes here the importance of people's awareness of their social relations. In every other respect, his counterfactual summary statement at the beginning of 166:2/o is remarkably *limited*. Marx does not contrast commodity production, the reign of abstract labor, with a society in which the producers enter into a more differentiated relation with each other. Rather, he adduces as hypothetical counterpart a society in which individual labors relate to each other through the same principle of abstract labor, but this time established deliberately and with the full awareness of the producers, rather than as the unconscious and unintended result of efforts whose superficial goal is not at all interested in the social organization of production but circles around individual market success.

The principle by which producers coordinate their labors is therefore not the main factor distinguishing commodity society from a free associations of individuals. More important is the question how consciously the agents engage in this coordination. The main difference which Marx emphasizes is whether their social arrangements can be clearly seen and are commonly understood, or whether they arise behind the backs of individuals directing their purposes elsewhere.

The following passage from *Capital III*, 958/o, shows once more how important it is for Marx whether or not people make their social decisions *consciously*. Marx argues here that the realm of necessities, the portion of the day which men have to "wrestle with nature" in order to satisfy their needs, will never dwindle to insignificance—because needs expand as productivity expands. Although "true freedom" starts outside this realm of necessity, here is what Marx says about freedom in the realm of necessary labor itself:

958/o Freedom in this field can only consist in socialized man, the associated producers, rationally regulating their metabolism with nature, bringing it under their common control, instead of being ruled by it as by a blind power; and carrying out this metabolism with the least expenditure of energy and under conditions most favorable to, and worthy of, their human nature.

828:0 Die Freiheit in diesem Gebiet kann nur darin bestehn, daß der vergesellschaftete Mensch, die assoziierten Produzenten, diesen Stoffwechsel mit der Natur rationell regeln, unter ihre gemeinschaftliche Kontrolle bringen, statt von ihm als von einer blinden Macht beherrscht zu werden; ihn mit dem geringsten Kraftaufwand und unter den ihrer menschlichen Natur würdigsten und adäquatesten Bedingungen vollziehn.

The requirement that production will go on "with the least expenditure of energy and under conditions most favorable to, and worthy of, their human nature" is listed here only second. The first requirement is that people must bring their metabolism with nature "under their common control, instead of being ruled by it as by a blind power." This shows again how important social awareness is to Marx.

1.4.c. [The Necessity of Bourgeois Political Economy]

Individuals have plenty of evidence that the process they are engaged in is not going in the direction they want it to go. However they usually do not take this as a signal that a myopic manipulation of socially empowered objects cannot give them the control over their social relations which they aspire to. Rather they see it as a chain of riddles to be solved and a series of practical problems to be overcome.

The following sentence from the first edition 46:2/o aptly defines the subject of section 1.4.c:

First, their relationship exists practically. Secondly, however, since they are humans, *their relationship exists as a relationship for them.*

Erst ist ihr Verhältnis praktisch da. Zweitens aber, weil sie Menschen sind, ist *ihr Verhältnis als Verhältnis für sie da.*

The word “*Dasein*” hidden in these two sentences. One should not translate it as “exists,” but I havn’t thought of a good way to capture this.

The next three paragraphs look at the explanations which the agents come up with in their efforts to solve the riddles they encounter in their practical activity. Marx considers the mainstream economics of his time (which he calls “bourgeois political economy”) to be a systematic compilation of such explanations. In these three paragraphs, the three determinations of value are taken up again in order.

The first paragraph discusses (α) the *substance of value*. We already discussed its introductory passage 166:2/o, which summed up once more how the commodity’s fetish-like character originates. After pointing out that even those engaged in direct production are ignorant of the basic character of their own economic relations, Marx continues:

Value, therefore, does not have it written on its forehead <i>what it is.</i>	Es steht daher dem Wert nicht auf der Stirn geschrieben, <i>was er ist.</i>
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Question 318 (Tue Sep 21–Thu Sep 23) Explain Marx’s metaphor that “value does not have it written on its forehead what it is.” Later in the commodity fetishism section, Marx uses the same metaphor “written on the forehead” again in a slightly different context. Compare what he says that second time with what he says here. 2009fa, 2008SP, 2007fa, 2007SP, 2004fa, 2003fa, 2002fa, 2001fa, 2000fa, 1999SP, 1998WI, 1997sp, 1997WI, 1996sp.

Since it is not obvious what value is, value becomes the object of scientific analysis:

Value transforms every product of labor into a social hieroglyphic. Later on, people try to decipher the hieroglyphic, to get behind the secret of their own social product. (The determination of the useful articles as values is *their* social product as much as language is.)

Der Wert verwandelt vielmehr jedes Arbeitsprodukt in eine gesellschaftliche Hieroglyphe. Später suchen die Menschen den Sinn dieser Hieroglyphe zu entziffern, hinter das Geheimnis ihres eigenen gesellschaftlichen Produkts zu kommen, denn die Bestimmung der Gebrauchsgegenstände *als Werte* ist *ihr* gesellschaftliches Produkt so gut wie die Sprache.

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Instead of “the secret of their own social product,” the French edition says “the secrets of the social

product to which they contribute” (les secrets de l’œuvre sociale à laquelle ils contribuent). This is a

more transformational outlook.

A market which follows laws beyond the control of producers and traders is as contradictory as a text which cannot be read by its own writer. But this contradiction is not addressed by bourgeois economists. They simply use scientific tools to decipher these hieroglyphics, and they eventually succeed. But their special situation, namely, that the objects of their scientific research are the result of their own activity, demands that they should do more: not just deciphering their own relations after the fact, but take control over their social relations so that they won’t take the form of hieroglyphics in the first place. This they do not do, and this is why Marx says their fetishism persists even after they have found out that value comes from labor.

The belated scientific discovery that the products of labor, in so far as they are values, are merely the objectified expressions of the human labor expended to produce them, marks an epoch in the history of mankind’s development, but by no means banishes the illusion that the social characteristics of labor seem to be physical characteristics of the products. Something which is only valid for this particular form of production (production of commodities), namely, that the specific social character of the independent private labors consists in their equality as human labor and assumes the form of the value-character of the product, appears to those entrapped in the relations of commodity production as a natural fact that cannot be changed. Even after the above-mentioned scientific discovery, the value-character of the product seems an immutable given to them, just as the scientific dissection of the air into its component parts leaves the atmosphere itself unaltered in its physical configuration.

Die späte wissenschaftliche Entdeckung, daß die Arbeitsprodukte, soweit sie Werte, bloß sachliche Ausdrücke der in ihrer Produktion verausgabten menschlichen Arbeit sind, macht Epoche in der Entwicklungsgeschichte der Menschheit, aber verscheucht keineswegs den gegenständlichen Schein der gesellschaftlichen Charaktere der Arbeit. Was nur für diese besondere Produktionsform, die Warenproduktion, gültig ist, daß nämlich der spezifisch gesellschaftliche Charakter der voneinander unabhängigen Privatarbeiten in ihrer Gleichheit als menschliche Arbeit besteht und die Form des Wertcharakters der Arbeitsprodukte annimmt, erscheint, vor wie nach jener Entdeckung, den in den Verhältnissen der Warenproduktion Befangenen ebenso endgültig als daß die wissenschaftliche Zersetzung der Luft in ihre Elemente die Luftform als eine physikalische Körperform bestehen läßt.

As on some other places, I went out on a limb with this translation, but some of it can be justified by the French edition. In French, “*verscheucht keineswegs den gegenständlichen Schein der*

gesellschaftlichen Charaktere der Arbeit” is translated with “ne dissipe point la fantasmagorie qui fait apparaître le caractère social du travail comme un caractère des choses, des produits eux-mêmes.”

(The word *phantasmagorisch* was also used in 164:3/o.) And “*ebenso endgültig*” is elaborated in French as: “tout aussi invariable et d’un ordre tout aussi naturel.”

The discovery that air is a mixture of certain other gases will of course leave the chemical makeup of the air unchanged. However if a basic discovery in the social sciences has no impact on the (now better understood) social relations, then this is remarkable. In section 1.4.b, Marx had argued that the secret, the root cause, of the fetish-like character of the commodity

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lies in the fact that the producers do not experience their labors as equal. The most basic principle governing market relations is therefore not part of the common consciousness. If this piece of knowledge is so important, why did the scientific discovery of the classical economists that value is based on labor not remove this fetish-like character? Marx's answer is interesting: because social sciences were too "naturalistic," they were viewed, like the natural sciences, as the description of immutable laws that are not affected by it whether humans understand them or not.

How dangerous this insight was for capitalism can also be judged from the fact that, after Marx, the labor theory of value was abandoned by the mainstream. Its place was taken by a theory which anchored capitalist relations in human psychology, i.e., the immutability of capitalism was written into the theory itself.

After the discovery that value comes from labor, people's fetishism can obviously no longer consist in the belief that value comes from the physical properties of things. Now people think that the law of value, and all the bad things which a society based on value and money has in store, are unalterable facts which one cannot change. The disadvantages of capitalism are believed to be anchored in human nature, instead of people recognizing that they are brought about by a very special social form of organizing production.

Exam Question 320 *If someone understands that value comes from society and not from nature, how can that person still have a fetishistic view of social relations under capitalism?*
[2009fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#), [1999SP](#), [1998WI](#).

Question 321 (*Tue Sep 21–Thu Sep 23*) Marx criticizes in [166:2/o](#) that even after the discovery of labor as the substance of value, this was generally considered an "immutable fact." What else should people have thought and done? [2008SP](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#).

Of course, even if people understand the laws of their society, they still cannot immediately abolish these laws. It requires hard work and struggles, and it will be a long process before social relations have attained a more desirable form. In the preface to the first edition, [91:3/o](#), Marx writes:

Even when a society has got upon the right track for the discovery of the natural laws of its movement ..., it can neither clear by bold leaps, nor remove by decree, the successive phases of its natural development. But it can shorten and lessen the birth-pangs.

The next paragraph, whose secret organizing principle is (β) the *magnitude of value*, describes how the producers' practical activities generate the need to resolve certain *limited* theoretical questions.

[167:1/o](#) The first thing the producers need to know in practice when they exchange their products is, how much of the other products will they get for their own—in which proportions can the products be exchanged?

[89:1](#) Was die Produktentauscher zunächst praktisch interessiert, ist die Frage, wieviel fremde Produkte sie für das eigene Produkt erhalten, in welchen Proportionen sich also die Produkte austauschen.

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Again I can justify my translation by pointing to the French, where

“*die Frage*” is translated with “de savoir,” i.e., this first sentence

indeed discusses the *knowledge* they are interested in.

Marx referred to the needs of the practical commodity traders to know the quantitative proportions already in footnote 17 to paragraph 140:3/o in section 1.3.A: “The few economists, … who have concerned themselves with the analysis of the form of value, were unsuccessful, … because, under the crude influence of the practical bourgeois, they give their attention from the outset, and exclusively, to the quantitative aspect of the question.”

As soon as these proportions have attained a certain customary fixity, they seem to spring from the nature of the products. That one ton of iron and two ounces of gold have equal value is considered a similar fact as that a pound of gold and a pound of iron are equal in weight, despite their different physical and chemical properties.

Sobald diese Proportionen zu einer gewissen gewohnheitsmäßigen Festigkeit herangereift sind, scheinen sie aus der Natur der Arbeitsprodukte zu entspringen, so daß z.B. eine Tonne Eisen und 2 Unzen Gold gleichwertig, wie ein Pfund Gold und ein Pfund Eisen trotz ihrer verschiedenen physikalischen und chemischen Eigenschaften gleich schwer sind.

The fixity of the exchange proportions allows the producers to forget that value relations are social. However this fixity can only be achieved through continual fluctuations:

Indeed, the value character of the products of labor affirms itself only through their play as magnitudes of value.

In der Tat befestigt sich der Wertcharakter der Arbeitsprodukte erst durch ihre Betätigung als Wertgrößen.

This “play” of the quantities of value is caused by people’s attempts to take advantage of the value proportions. Although the commodity producers, in their practical actions, only pay attention to the quantity of value and not its quality, Marx says here, in a very abbreviated fashion, that this one-sided interest in quantity leads them to act in such a way that they give their labor the qualitative character of equal human labor, i.e., of value-creating labor. This is a dialectical conversion of quantity into quality.

Here is an attempt, which goes beyond Marx’s text, to describe in more detail how the products’ play as magnitudes of value affirms their value character. Since the exchange proportions seem to come from the nature of the product, and not from the labor process, the producers try to escape the quantitative link between labor and value by producing that use-value and employing that production method which gives them the most favorable exchange for the effort they put in. They use two main strategies to achieve this:

- On the one hand, they channel their labors into those branches of production which the market rewards best in relation to their effort.
- On the other hand, in every given branch of this division, they systematically explore the range of what can be done differently in order to gain an advantage over those with whom they compete.

These conscious actions have the following unintended consequences:

- The calculation regarding the market demand integrates their labor, according to its particularities, into the social division of labor.
- The active pursuit of the best production process causes them to end up with very similar labor processes, since everyone does that in parallel and since they also learn from each other.

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The first edition, 46:2/o, has the following poignant formulation, which is consistent with the above interpretation: “In order to relate their products as commodities, men are *forced* to equate their different labors to abstract human labor” (my emphasis).

Question 323 (*Tue Sep 21–Thu Sep 23*) *Commodity producers do not exchange their products because they consider the labor in these products to be equal and therefore believe the fruits of the labor should be distributed on an equal basis. Marx claims that, on the contrary, the market interactions induce them to unknowingly equalize their labors. Describe the process by which they equalize their labors, and the goals which they pursue in this process.* 2008fa, 2008SP, 2007fa, 2007SP, 2005fa, 2004fa, 2003fa, 2002fa, 2001fa, 2000fa, 1997ut, 1997sp, 1996sp.

Question 324 (*Tue Sep 21–Thu Sep 23*) *Someone says: The law of value cannot hold. We are free people, we do what we want. We are not forced to price our commodities by their labor content. Explain to this person, along the lines of the argument Marx uses here, that this myopic attempt to assert one's freedom leads to unfreedom.* 2008fa, 2008SP, 2007fa, 2007SP, 2004fa, 2003fa, 2002fa, 1997sp, 1996ut, 1996sp, 1995ut, 1995WI.

One can sum it up as follows: Although their considerations only center around a quantitative advantage, the producers are forced to make important qualitative changes in the production process if they want to stay competitive in the market, while their efforts to get ahead of the market can only have temporary success. In the long run, the market will catch up with them again.

This is the circularity (p. 159 above) in action. Producers encounter social constraints (the quantitative exchange relations of the goods on the market) and try to turn them to their advantage, using similar methods as those with which they have successfully conquered nature. But this time, their efforts to get ahead fail; even worse, in these efforts they are unwittingly carrying out the “orders” dictated by the law of value. In *Results*, 1037:2/o, Marx says explicitly that the capitalists, in their efforts to outwit the law of value, implement it.

Which difference between the laws of nature and the laws of the market is responsible for the fact that humans, who have been very successful in becoming the masters of *natural* forces, remain the servants of their own social relations when they try to take advantage of the *social* properties of the objects they are handling? Answer: the laws of nature remain unchanged regardless of what people do. By contrast, the producers’ reactions to the prices cause these prices to change. To use Bhaskar’s terminology, transitive and intransitive dimensions are not clearly separated here. This is why it is not the social forces which are instrumentalized, but people’s efforts to instrumentalize the social forces:

These magnitudes vary continually, independently of the will, foreknowledge and actions of the exchangers. Their own social movement has for them the form of a movement of things—things which, far from being under their control, in fact control them.

This last sentence indicates that perhaps Marx was thinking along the lines which I am developing in my commentary here. People think they control the social powers of things (just as they do control their natural powers), but this is an illusion.

The production of commodities must be fully developed before the scientific insight

Die letzteren wechseln beständig, unabhängig vom Willen, Vorwissen und Tun der Austauschenden. Ihre eigene gesellschaftliche Bewegung besitzt für sie die Form einer Bewegung von Sachen, unter deren Kontrolle sie stehen, statt sie zu kontrollieren.

Es bedarf vollständig entwickelter Warenproduktion, bevor aus der Erfahrung

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emerges, from experience itself, that all the different kinds of private labor (which are carried on independently of each other, and yet, as *spontaneously developed branches of the social division of labor*, are all-round dependent on each other) are continually being reduced to the measure in which they are socially necessary.

selbst die wissenschaftliche Einsicht herauswächst, daß die unabhängig voneinander betriebenen, aber als *naturwüchsige Glieder der gesellschaftlichen Teilung der Arbeit* allseitig voneinander abhängigen Privatarbeiten fortwährend auf ihr gesellschaftlich notwendiges Maß reduziert werden, . . .

Question 325 (*Tue Sep 21–Thu Sep 23*) *Isn't there an inconsistency in Marx's text? At the beginning of paragraph 167:1/o, the fixity of commodity prices is stressed, while towards the end of the same paragraph 167:1/o, Marx emphasizes that they fluctuate continually.* [2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2000fa](#), [1998WI](#).

The unpredictable *changes* of the exchange proportions interfere with the efforts of the agents to use these proportions to their advantage. This causes them to wonder how the magnitude of value is determined, and leads to the scientific discovery of socially necessary labor-time as the underlying principle.

However the reader should be aware that this scientific effort is only a very superficial resolution of the dilemma faced by the market participants. Although they systematically try to instrumentalize for individual advantage the powerful social forces exhibited by the market, they find that they remain at the mercy of blind objective laws, under the control of things. Instead of wondering *how they came into this predicament*, so that they can wrest control away from these things, they use science to understand *how the things move that control them*, in the hope that in this way they can “outwit” them or at least arrange themselves better with them. This is called a “TINA compromise.” (TINA = There Is No Alternative.)

In the accidental and ever-fluctuating *exchange proportions between the products*, the labor-time socially necessary to produce them asserts itself violently as a regulative *law of nature*. This law asserts itself like the law of gravity asserts itself when a person's house collapses on top of him.²⁸

... weil sich in den zufälligen und stets schwankenden Austauschverhältnissen ihrer Produkte die zu deren Produktion gesellschaftlich notwendige Arbeitszeit als regelndes Naturgesetz gewaltsam durchsetzt, wie etwa das Gesetz der Schwere, wenn einem das Haus über dem Kopf zusammenpurzelt.²⁸

If the house collapses, the law of gravity asserts itself *despite* the attempts of the builder to control it. Now we all know that it is possible to build houses that do not collapse. The collapse of the house reveals a flaw in engineering. The footnote brings a quote from the young Engels emphasizing that also the working of the capitalist economy reveals a basic flaw:

²⁸ ‘What are we to think of a law which can only assert itself through periodic crises? Well, it is a *natural law that is based on the lack of awareness of the people who are subjected to it*'. [mecw3]433/34.

²⁸ ‘Was soll man von einem Gesetz denken, das sich nur durch periodische Revolutionen durchsetzen kann? Es ist eben ein *Naturgesetz, das auf der Bewußtlosigkeit der Beteiligten beruht*.’ Friedrich Engels, [mecw3]433/34.

The formulation “*law based on the lack of awareness of the people who are subjected to it*” (my emphasis) implies that people act in a certain way *because* they are unaware. This does not mean that consciousness determines their social being, but that the mechanisms by

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which the blind social forces take precedence over individual goals are based on (i.e., cannot be effective without) a lack of consciousness on the part of the individuals.

The determination of the magnitude of value by labor-time is therefore a secret hidden under the apparent movements of the relative magnitudes of commodity values. By uncovering this secret, the semblance of a merely accidental determination of the magnitude of value of the products of labor is removed, but the objectified form in which this determination takes place is by no means abolished.

Die Bestimmung der Wertgröße durch die Arbeitszeit ist daher ein unter den erscheinenden Bewegungen der relativen Warenwerte verstecktes Geheimnis. Seine Entdeckung hebt den Schein der bloß zufälligen Bestimmung der Wertgrößen der Arbeitsprodukte auf, aber keinesfalls ihre sachliche Form.

The scientific efforts described in the preceding two long paragraphs are in both cases strangely impotent. Although necessitated by the fetish-like character of the commodity, they do not help overcome it. The next paragraph explains this impotence. It centers about point (γ), *the form of value*.

168:1/o Man's thought about the forms of social life, and therefore also his scientific analysis of these forms, takes a course directly opposite to the actual development of these forms. He begins 'after the feast' with the completed results of the development process.

89:2/o Das Nachdenken über die Formen des menschlichen Lebens, also auch ihre wissenschaftliche Analyse, schlägt überhaupt einen der wirklichen Entwicklung entgegengesetzten Weg ein. Es beginnt post festum und daher mit den fertigen Resultaten des Entwicklungsprozesses.

This translation benefited from the Eden and Cedar Paul translation. In Fowkes's translation, reflection

begins "after the feast, and therefore with the results of the process of development ready to

hand." This wrongly pulls the word "*fertig*" from the ontological into the epistemological sphere.

The purposeful activity of individuals differs in an important way from the dynamics of their social relations. *Individual* human activity is characterized by its intentionality:

... what distinguishes the worst of architects from the best of bees is that the architect builds the cell in his mind before he constructs it in wax. 283:2/o.

In *social* life however, people first act and then think:

In their difficulties our commodity-owners think like Faust: 'In the beginning was the deed'. They have therefore already acted before thinking. The natural laws of the commodity manifest themselves (*betätigen sich*) in the natural instincts of the commodity owners. 180:3–181:1.

Among the mechanisms that cause the suspension of human intentionality on the social level, Marx singles out here the passivity of everyday thinking. The word "*Nachdenken*," here translated as "reflection," has, in German, a quite passive connotation. It evokes someone sitting on a couch, smoking his pipe, relaxing, and "thinking." A similar passivity characterizes the forms of thinking described in the previous two paragraphs.

- Under point (α), 166:2/o, people's everyday thinking stumbled upon a glaring contradiction, the fact that people's own social product is not transparent to them. They try

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to (and finally succeed in) solving the riddles their own activity poses, without ever raising the critical question how it happens that their own activity presents riddles in the first place.

- Under point (β), 167:1/o, theoretical activity was kindled by their efforts to succeed in the market place. This again lacked any motivation to ask the more fundamental critical questions—on the contrary, the agents were interested in an affirmation of what they were doing.
- Point (γ), which we are discussing at present, brings a third cognitive obstacle to an effective scientific analysis: The forms of social life, which are the *result* of the relations individuals enter in production and daily life, are at the same time the *starting point* for their reflection (*Nachdenken*) about it.

In sum, practical life not only furnishes the motivation for science, but also presents many obstacles. Science, by its nature, cannot be a passive or automatic process. Just as production is necessarily “work” (the formulation in 164:1 that labor is *essentially* the expenditure of human labor-power), science is “work” as well.

The social forms which stamp products as commodities, which they therefore must possess before they can circulate as commodities, have already acquired the fixity of natural forms of social life, before man seeks to give an account, not of the historical character of these forms—for in his eyes they have already become immutable—but of their content.

Bourgeois economics has an additional incentive to persist in the mistake of starting its analysis with the finished forms, which are too mystified to reveal the true underlying relations: since bourgeois economics cannot admit that capitalism is a historically conditioned and historically limited mode of production, it cannot look at it as a historical process.

In the remainder of the paragraph, Marx gives a concrete example of a finished form that obfuscates rather than reveals:

It was only the analysis of the prices of commodities which led to the determination of the magnitude of value, and only the common expression of all commodities in money which led to the fixation of their character as values.

I.e., research started when some striking empirical phenomena had arisen which needed an explanation. But this is already too late:

It is however precisely this finished form of the world of commodities—the money form—which conceals the social character of private labor and therefore the social relations between the private producers behind quasi-physical properties of things, instead of revealing these relations plainly.

Die Formen, welche Arbeitsprodukte zu Waren stempeln und daher der Warenzirkulation vorausgesetzt sind, besitzen bereits die Festigkeit von Naturformen des gesellschaftlichen Lebens, bevor die Menschen sich Rechenschaft zu geben suchen nicht über den historischen Charakter dieser Formen, die ihnen vielmehr bereits als unwandelbar gelten, sondern über deren Gehalt.

So war es nur die Analyse der Warenpreise, die zur Bestimmung der Wertgröße, nur der gemeinschaftliche Geldausdruck der Waren, der zur Fixierung ihres Wertcharakters führte.

Es ist aber ebendiese fertige Form—die Geldform—der Warenwelt, welche den gesellschaftlichen Charakter der Privatarbeiter und daher die gesellschaftlichen Verhältnisse der Privatarbeiter sachlich verschleiert, statt sie zu offenbaren.

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In support of the claim that the money form conceals, Marx describes next what “plainly revealing” would have meant in this situation:

If I say that coats or boots relate to linen as the general incarnation of abstract human labor, it is plain how bizarre an expression this is. The producers of coats and boots, however, when they relate their commodities to linen (or to gold and silver, which does not change the matter in the least) as the General equivalent, experience and express the relation of their own private labor to the aggregate labor of society in exactly this bizarre form.

Wenn ich sage, Rock, Stiefel, usw. beziehen sich auf Leinwand als die allgemeine Verkörperung abstrakter menschlicher Arbeit, so springt die Verrücktheit dieses Ausdrucks ins Auge. Aber wenn die Produzenten von Rock, Stiefel, usw. diese Waren auf Leinwand—oder auf Gold und Silber, was nichts an der Sache ändert—als allgemeines Äquivalent beziehen, erscheint ihnen die Beziehung ihrer Privatarbeiten zu der gesellschaftlichen Gesamtarbeit genau in dieser verrückten Form.

These two sentences deserve a close reading. Let us first look at the first sentence.

If it were possible to see the invisible content behind the form—if one could, so-to-say, take an X-ray look at the relations of production underlying the exchange—one would see with amazement that the producers relate their concrete labors to the labor producing gold as the incarnation of human labor in the abstract, although the labor producing gold is just as concrete as any other labor. Everybody would be aware that this is a bizarre and deficient method of establishing a connection between the many interdependent labor processes. In the first edition, 37:1, in what was to become section 3 of chapter One, Marx brings an interesting metaphor to show how bizarre this is:

37:1 It is as if, besides lions, tigers, hares, and all other real animals, ... also *the animal* existed, the individual incarnation of the whole animal kingdom.

37:1 Es ist als ob neben und außer Löwen, Tigern, Hasen, und allen andern wirklichen Tieren ... auch noch *das Tier* existierte, die individuelle Inkarnation des ganzen Tierreichs.

It would not only be bizarre, but it would also be easy to see that it is bizarre.

Before we go to the second sentence, which presents the difficulty, let's look at the difference between first and second sentences. The first sentence uses the words “general incarnation of abstract human labor,” which is a core category, while the second sentence speaks of the “General equivalent,” which is a surface category. Also, the first sentence states that it is an obviously bizarre relation, but Marx does not use the word “form.” He does use the word “expression,” but by this he means his verbal representation of the core relations (“if I say”).

In the second sentence, Marx turns off the X-ray machine of his scientific analysis and looks at the form in which these bizarre relations present themselves to the practical surface activity. The fact that coat, boots, etc. are placed in relation to gold as the General equivalent is no longer obviously bizarre, on the contrary, it is a sensible procedure growing out of the necessities of exchange. But these sensible practical activities engage the economic agents in bizarre relations of production in the core. The forms themselves only become bizarre if one sees this content in them, i.e., if one recognizes that they mediate the relationship of the producers's private labor to the social aggregate labor.

Marx has chosen here a very nice example showing how the finished forms conceal. The surface forms are “finished” in a fashion which gives them practical applicability. But the practical usefulness of these forms on the surface veils the bizarre character of the core

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relations mediated by them.

Question 326 (*Tue Sep 21–Thu Sep 23*) *Why can empiricism, the starting with and clinging to empirical facts, only come to conclusions that affirm existing social relations?* [2007SP](#), [2004fa](#), [2002fa](#), [1997ut](#), [1996sp](#), [1995ut](#), [1995WI](#).

Question 327 (*Tue Sep 21–Thu Sep 23*) *Where else should one start science if not with data? How did Marx himself come to his findings?* [2009fa](#), [2008fa](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#), [2000fa](#), [1998WI](#).

After this serious critique of bourgeois economics, Marx, surprisingly, nevertheless attributes “social validity” to it:

169:1 It is precisely forms of this kind which yield the *categories* for bourgeois economics.

90:1 Derartige Formen bilden eben die *Kategorien* der bürgerlichen Ökonomie.

“Forms of this kind” refers to the finished surface forms, the bizarre (*verrückten*), false social forms, which veil the underlying relations. A “category” is a fundamental classification, something that can serve as starting point for an explanation but which itself cannot be explained. Bourgeois economics does not start with the fundamental underlying relations but with their bizarre surface reflections. Marx will remark on this again on p. [677:2](#), when he discusses capitalism’s false form par excellence, namely, the wage form, There as well as here Marx makes the argument that the erroneous view of the world generated by these surface categories cannot just be dismissed as a collection of subjective errors, but it has objective significance since it guides human actions:

These categories are socially accepted, and therefore objective, forms of thought for the relations of production of *this historically determined* social mode of production, namely, commodity production.

Es sind gesellschaftlich gültige, also objektive Gedankenformen für die Produktionsverhältnisse *dieser historisch bestimmten gesellschaftlichen Produktionsweise*, der Warenproduktion.

This translation assumes that the “*es sind*” (it is) at the beginning of this sentence refers to “categories,” or, more precisely, to those theories which are taken as

categories by bourgeois economy, not to “forms.” Grammatically this might easily be the case, especially since Marx wrote “*es sind*” instead of “*sie sind*,” and

also from the meaning I find it unlikely that Marx equates social forms with forms of thought.

Question 329 (*Tue Sep 21–Thu Sep 23*) *In 169:1, Marx calls the superficial understanding of the agents in capitalist society, their forms of thought, “socially accepted” or, in a more literal translation, “socially valid” and “objective.” Shouldn’t he have called them “false” instead of “valid” and “subjective” instead of “objective”?* [2007fa](#), [2007SP](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#), [2000fa](#), [1998WI](#), [1996ut](#).

Although bourgeois economics clings to the surface, it *is* valid: not because it reveals the inner structure of the commodity economy, but because it formulates its *forms of thought*, i.e., the spontaneous thinking which these relations of production induce in the practical agents. Marx calls these forms “valid” and “objective” without further elaboration. However his derivation of bourgeois economics as the scientific extension of the consciousness of the practical agents in the market implies that the validity and objectivity of these false

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appearances consists in the fact that they direct the activities of the economic agents on the surface of the economy.

The validity of these categories, whether they help us understand the inverted forms of appearance on the surface or the deep structure of the relations of production, must be qualified as indicated by the italicized phrase in the passage we just read: these categories are valid only historically. This gives the transition to section 1.4.d, the discussion of other societies.

The whole mystery of commodities, all the magic and necromancy that surrounds the products of labor on the basis of commodity production, vanishes therefore as soon as we take refuge in other forms of production.

Aller Mystizismus der Warenwelt, all der Zauber und Spuk, welcher Arbeitsprodukte auf Grundlage der Warenproduktion umnebelt, verschwindet daher sofort, sobald wir zu andren Produktionsformen flüchten.

1.4.d. [Examples of Non-Commodity Societies and the Role of Religion]

In 169:2–172:0, Marx gives examples of societies in which commodity production is *not* predominant, i.e., in which

labor is not, as in commodity production, private labor which at the same time keeps its provider alive only as social labor (translated from 38:1).

Betrachten wir andre Formen der Produktion, worin die Arbeit nicht wie in der Warenproduktion Privatarbeit ist, die zugleich nur als gesellschaftliche Arbeit ihren Verrichter am Leben erhält.

“All essential determinations of value” can nevertheless be found. They are (α) the equality of all human labor insofar as it is expenditure of human labor-power, (β) the social significance of labor-time, and (γ) the existence of interactions between the producers through which their labors are integrated into the social labor process. The forms which (α), (β), and (γ) take may involve coercion and exploitation, but they are not mysterious. When discussing medieval society, Marx makes an important connection: if social relations are this transparent, exploitation is only possible through the direct exercise of force. He does not explicitly state the implication of this for capitalism: it can do away with the continual use of direct force only at the expense of being mystified.

At the end of this subsection, Marx looks at the character of religion in different societies. He claims that religion reflects the quality and transparency of social relations.

The examples of non-capitalist societies are instructive and interesting, but not very difficult to understand; therefore they are not reproduced here. The following Questions refer to these examples on pp. 169:2–172:0.

Question 330 (Tue Sep 21–Thu Sep 23) Why does Marx call Ricardo’s exchange between primitive fisherman and primitive hunter a “Robinson Crusoe story”? [2009fa](#), [2008SP](#), [2007fa](#), [2007SP](#), [2005fa](#), [2003fa](#), [2002fa](#), [1996sp](#), [1995ut](#), [1995WI](#).

Question 331 (Tue Sep 21–Thu Sep 23) Which “social” forms do the three determinations of value take in Robinson’s one-man-society? [2008SP](#), [2007SP](#), [2003fa](#), [2002fa](#), [1995ut](#).

Question 333 (Tue Sep 21–Thu Sep 23) Which social forms do the three determinations of value take in Marx’s example of medieval society? [2005fa](#), [2003fa](#), [2002fa](#), [1998WI](#), [1997sp](#), [1995ut](#).

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Question 335 (Tue Sep 21–Thu Sep 23) Explain Marx's statement in 170:1 that labor in medieval society did not take a social form different from its natural form. 2009fa, 2008SP, 2007fa, 2003fa, 2002fa, 1997sp, 1997WI.

Question 336 (Tue Sep 21–Thu Sep 23) Which social forms do the three determinations of value take in Marx's example of a self-sufficient peasant family? 2007SP.

Question 337 (Tue Sep 21–Thu Sep 23) In 171:1, Marx says about the patriarchal self-sufficient peasant household: "The time-measured expenditure of the individual labor-powers takes here from the outset the form of a social attribute of these labors themselves ..." Does this mean that in this household labor is social labor as abstract labor, as argued in [Kur87]? 2007SP, 2004fa.

Question 338 (Tue Sep 21–Thu Sep 23) Which social forms do the three determinations of value take in Marx's example of a socialist society? 2009fa, 1999SP.

Religion is not only a metaphor for commodity fetishism, it is a social phenomenon which needs its own explanation. The next two paragraphs discuss the connection between the mystifications of social relations and religion. They also give important information about how Marx viewed the relationship between productive powers (technology), relations of production, and "superstructural" phenomena such as religion.

172:1/o For a society of commodity producers, whose general social relation of production consists in the fact that they treat their products as *commodities*, hence as *values*, and in this objectified form bring their private labors into relation with each other as *homogeneous human labor*, Christianity with its religious cult of the abstract human, especially in its bourgeois development, i.e., in Protestantism, Deism, etc., is the most fitting *form of religion*.

93:1/o Für eine Gesellschaft von Warenproduzenten, deren allgemein gesellschaftliches Produktionsverhältnis darin besteht, sich zu ihren Produkten als *Waren*, also als *Werten* zu verhalten, und in dieser sachlichen Form ihre Privatarbeiten aufeinander zu beziehen als *gleiche menschliche Arbeit*, ist das *Christentum*, mit seinem Kultus des abstrakten Menschen, namentlich in seiner bürgerlichen Entwicklung, dem Protestantismus, Deismus usw., die entsprechendste *Religionsform*.

Just as the value relation abstracts from the concrete usefulness of labor and from the individual circumstances of production, so Christianity also makes an abstraction: namely, from some of the more "bodily" aspects of humans. Just as the labor process must rise above its local and traditional character to withstand the test of the market, so humans must strip off their bodily encumbrances to become pure souls. But this correspondence between religion and commodity relations only holds for modern religions in modern time. Religion is a very old phenomenon, and the question arises how the old religions related to the socio-economic conditions of their time. This will be discussed next.

Question 339 (Tue Sep 21–Thu Sep 23) In what ways can Christianity and the commodity relation be considered similar? 2009fa, 2008fa, 2008SP, 2007SP, 2005fa, 2004fa, 2003fa, 2002fa, 1997ut, 1997WI, 1996sp, 1995ut, 1995WI.

In the ancient Asiatic, classical-antique, and other such modes of production, the transformation of the product into a commod-

In den altasiatischen, antiken usw. Produktionsweisen spielt die Verwandlung des Produkts in Ware, und daher das Dasein des

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ity, and therefore individuals in the capacity of commodity producers, play a subordinate role—although this role increases in importance as these communities approach nearer and nearer to the stage of their dissolution. Trading nations, properly so called, exist only in the interstices of the ancient world, like the gods of Epicurus in the intermundia, or Jews in the pores of Polish society.

Since the commodity relation was subordinate in the ancient modes of production, it must be ruled out as the material basis for the ancient religions. Next, Marx also rules out any other complexity or obscurity of social relations, and then gives his explanation of the religions of those times:

Those ancient social production-organisms are a lot simpler and more transparent than those of bourgeois society. But they are based either on the immaturity of humans as individuals, who have not yet torn themselves loose from the umbilical cord of their natural species-connection with other humans, or on direct relations of dominance and servitude. They are conditioned by a low stage of development of the productive powers of labor, and by correspondingly limited relations of men within the process of creating and reproducing their material life, hence also between each other and between man and nature. These real limitations are reflected in the ancient worship of nature, and in other elements of tribal religions.

Marx gives two reasons for the early religions: immaturity of the individual and direct relations of dominance and subordination. Both are conditioned by the low development of productivity, which allows only limited relations within the production process, therefore also in society at large (compare also footnote 89 to paragraph 492:3/o in the machinery chapter and a brief remark in 927:3/o in the chapter about the historical tendency). Religions which are worship of nature are evidently based in the low level of productive forces, and tribal religions in the immaturity of individuals who have not yet cut their umbilical chord to the tribe.

It seems that this “immaturity” of the individual is not considered here to be generated by the social relations. Apparently, Marx sees an independent historical development also on the level of interpersonal relations, which is conditioned by, but not reducible to, and presumably slower than, the succession of social modes of production. Relevant here is also Marx’s remark in 775:1/o that “the soil of commodity production can bring forth production on a large-scale only in capitalist form.”

Question 340 (Tue Sep 21–Thu Sep 23) In the sentence: “[The ancient social production-

Menschen als Warenproduzenten, eine untergeordnete Rolle, die jedoch um so bedeutender wird, je mehr die Gemeinwesen in das Stadium ihres Untergangs treten. Eigentliche Handelsvölker existieren nur in den Intermundien der alten Welt, wie Epikurs Götter, oder wie Juden in den Poren der polnischen Gesellschaft.

Jene alten gesellschaftlichen Produktionsorganismen sind außerordentlich viel einfacher und durchsichtiger als der bürgerliche, aber sie beruhen entweder auf der Unreife des individuellen Menschen, der sich von der Nabelschnur des natürlichen Gattungszusammenhangs mit andren noch nicht losgerissen hat, oder auf unmittelbaren Herrschafts- und Knechtschaftsverhältnissen. Sie sind bedingt durch die niedrige Entwicklungsstufe der Produktivkräfte der Arbeit und entsprechend befangene Verhältnisse der Menschen innerhalb ihres materiellen Lebenserzeugungsprozesses, daher zueinander und zur Natur. Diese wirkliche Befangenheit spiegelt sich ideell wider in den alten Natur- und Volksreligionen.

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organisms] are conditioned by a low stage of development of the productive powers of labor, and by correspondingly limited relations of men within the process of creating and reproducing their material life, hence also between each other and between man and nature,” Marx describes the relationship between the following three: productive forces (i.e., technology), the relations^{2} in the production process, and social relations^{1} at large. Rephrase this relationship in your own words. [2009fa](#), [2008SP](#), [2000fa](#).

Marx concludes his discussion of religion with a statement about the conditions under which religion can “fade away.” For this, he returns to the modern conditions, in which religion cannot be explained by the immaturity or the direct subordination of the individual, but by the mystification of the social relations:

The echo of the real world in religions of any kind can fade away only when the relations of everyday practical activity present themselves to the individuals all the time as transparently rational interactions with each other and with nature. The mystical veil will not be lifted from the countenance of the social life-process, i.e., of the process of material production, until it becomes the product of freely associated men, and stands under their conscious and planned control.

Mankind’s ability to seize this social control is the result of developments which are beyond its control:

This, however, requires that society possess a material foundation, or a number of material conditions of existence, which in their turn are the natural and spontaneous product of a long and painful historical development.

Der religiöse Widerschein der wirklichen Welt kann überhaupt nur verschwinden, sobald die Verhältnisse des praktischen Werktagslebens den Menschen täglich durchsichtig vernünftige Beziehungen zueinander und zur Natur darstellen. Die Gestalt des gesellschaftlichen Lebensprozesses, d.h. des materiellen Produktionsprozesses, streift nur ihren mystischen Nebelschleier ab, sobald sie als Produkt frei vergesellschafteter Menschen unter deren bewußter planmäßiger Kontrolle steht.

Dazu ist jedoch eine materielle Grundlage der Gesellschaft erheischt oder eine Reihe materieller Existenzbedingungen, welche selbst wieder das naturwüchsige Produkt einer langen und qualvollen Entwicklungs geschichte sind.

1.4.e. [The Fetishism of Bourgeois Political Economy]

The mystification of the commodity relation not only makes people religious, it also breeds the science of “bourgeois economics.” Subsection 1.4.c derived the necessity of such a scientific enterprise from the spontaneous theoretical needs of those participating in a fetish-like economy. The emancipatory potential, which this science has like any science, is overshadowed by its social function. Its passivity, and the hopeless starting point with the finished surface categories emphasized in 1.4.c, are the legacies imprinted on this science by the social need that spawned it. But the ability of bourgeois economics to satisfy its social role—instead of leading to emancipatory action—depends not only on its method but also on the theories it provides. Subsection 1.4.e concentrates on the basic theoretical errors of bourgeois economics. These errors show that bourgeois economics is the institutionalization of commodity fetishism.

173:1/oo Political economy has indeed, however incompletely,³¹ analyzed value and its magnitude, and has uncovered the con-

94:1/oo Die politische Ökonomie hat nun zwar, wenn auch unvollkommen,³¹ Wert und Wertgröße analysiert und den in die-

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tent concealed within these forms. But it has never once asked why this content takes that form, that is to say, why labor is expressed *in value*, and why the measure of labor by its duration is expressed in the *magnitude of the value* of the product.³² These forms, which have it written on their foreheads that they belong to a social formation in which the production process has the mastery over men, and man does not yet master the production process, are considered by the political economists' bourgeois consciousness to be self-evident and nature-imposed necessities, just as necessary as productive labor itself.

sen Formen versteckten Inhalt entdeckt. Sie hat niemals auch nur die Frage gestellt, warum dieser Inhalt jene Form annimmt, warum sich also die Arbeit *im Wert* und das Maß der Arbeit durch ihre Zeitdauer in der *Wertgröße* des Arbeitsprodukts darstellt?³² Formen, denen es auf der Stirn geschrieben steht, daß sie einer Gesellschaftsformation angehören, worin der Produktionsprozeß die Menschen, der Mensch noch nicht den Produktionsprozeß bemeistert, gelten ihrem bürgerlichen Bewußtsein für ebenso selbstverständliche Naturnotwendigkeit als die produktive Arbeit selbst.

Question 342 (Tue Sep 21–Thu Sep 23) *Can labor be measured in other ways than in time?*
[2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#).

In German, the third sentence above reads: “*Formeln, denen es auf der Stirn geschrieben steht ...*” This seems to be a typographical error in the second and later German editions. I assume it

should be “*Formen*” instead of “*Formeln*.” Apparently this error was never corrected except in the French translation. (It says “*Formen*” in the First edition and “*formes*” in the French edition.)

By the way, the enlightening phrase “why this content takes that form” was, inexplicably to me, omitted in the Moore-Aveling translation!

“Forms which have it written on their foreheads”: Marx’s first criticism of bourgeois political economy is *not* its inability to accurately decipher these forms, but its failure to ask those questions which led him to write section 1.4, compare page 150 above. Although the immanent theoretical development cries out for a scrutiny of the historical character of these forms and the conditions under which they can endure, bourgeois economists do not ask this question. This shows that they suffer under the higher forms of fetishism discussed earlier in 166:2/o.

In footnote 89 to paragraph 492:3/o at the beginning of the Machinery chapter, Marx reiterates the importance of not just deciphering the forms, but also understanding how they arose.

Besides its silence on the most crucial question it should have asked, bourgeois economics also made errors in answering those questions which it did ask. The long footnotes 31 and 32 detail the immanent shortcomings of political economy. The first footnote concentrates on the substance of value (after deferring the discussion of the quantity of value to later), and the second on the form of value.

³¹ The insufficiency of Ricardo’s analysis of the magnitude of value—and his analysis is by far the best—will become apparent from the third and fourth books of this work.

³¹ Das Unzulängliche in Ricardo’s Analyse der Wertgröße—and es ist die beste—wird man aus dem dritten und vierten Buch dieser Schrift ersehen.

By this Marx means *Capital III* and *Theories of Surplus Value*. The quantity of value will therefore not be discussed here. But its quality will:

^{31 ctd} As regards value itself, classical political economy nowhere distinguishes explicitly and with full awareness between the labor rep-

^{31 ctd} Was aber den Wert überhaupt betrifft, so unterscheidet die klassische politische Ökonomie nirgendwo ausdrücklich und mit klarem Bewußt-

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resented in the value of a product and the same labor manifest in its use-value.

sein die Arbeit, die sich im Wert, von derselben Arbeit, die sich im Gebrauchswert ihres Produkts darstellt.

Question 344 (*Tue Sep 21–Thu Sep 23*) Marx writes that “classical political economy nowhere makes the explicit and consciously clear distinction between the labor represented in the value of a product and the same labor manifest in its use-value.” If it is the same labor, how can one distinguish it? [2009fa](#), [2008fa](#), [2002fa](#), [1997WI](#).

Although classical economists do not make this distinction *explicitly* and with *full awareness*, the subject of their science, the economy, induces them to make this distinction *implicitly* and *without knowing it*:

^{31 ctd} Of course the classical economists do, in actual fact, make this distinction, for they treat labor sometimes from its quantitative aspect, and at other times qualitatively. It does not occur to them that a purely quantitative difference between different kinds of labor presupposes their qualitative unity or equality, and therefore their reduction to abstract human labor.

^{31 ctd} Sie macht natürlich den Unterschied tatsächlich, da sie die Arbeit das einmal quantitativ, das andremal qualitativ betrachtet. Aber es fällt ihr nicht ein, daß bloß quantitativer Unterschied der Arbeiten ihre qualitative Einheit oder Gleichheit voraussetzt, also ihre Reduktion auf abstrakt menschliche Arbeit.

These general remarks are backed up by a very specific “smoking-gun” proof that Ricardo was not aware of the distinction between concrete and abstract labor.

We will skip over the rest of this footnote here.

The second footnote, number 32, clarifies an additional detail which the main text brings only implicitly. It emphasizes that political economy investigated value and the magnitude of value, but it never even discovered the form of value—because this would have led to questions it wanted to avoid.

³² It is one of the chief failings of classical political economy that it has never pursued the analysis of commodities and more specifically of commodity value to the point where it yields the form of value, i.e., that what turns value into exchange-value. Even its best representatives, Adam Smith and Ricardo, treat the form of value as something quite indifferent or extraneous to the nature of the commodity itself.

³² Es ist einer der Grundmängel der klassischen politischen Ökonomie, daß es ihr nie gelang, aus der Analyse der Ware und spezieller des Warenwerts die Form des Werts, die ihn eben zum Tauschwert macht, herauszufinden. Gerade in ihren besten Repräsentanten, wie A. Smith und Ricardo, behandelt sie die Wertform als etwas ganz Gleichgültiges oder der Natur der Ware selbst äußerliches.

It is not only important to know what value is and how its magnitude is determined, but also to relate the form which value takes on the surface of the economy, i.e., the exchange relation of commodities, to its quality and quantity. The reason why this aspect is so often ignored is twofold. On the one hand, the practical activity on the market does not throw up this question, but first and foremost requires an explanation of the magnitude of value. On the other hand, even the best representatives of bourgeois political economy consider the capitalist form of production as the eternally given one. This causes them to overlook the specificity of the value form.

^{32 ctd} The reason for this is not solely that their attention is entirely absorbed by the analysis of the magnitude of value. It lies deeper. The value form of the product of labor is the most abstract, but also the most general form of the bourgeois

^{32 ctd} Der Grund ist nicht allein, daß die Analyse der Wertgröße ihre Aufmerksamkeit ganz absorbiert. Er liegt tiefer. Die Wertform des Arbeitsprodukts ist die abstrakteste, aber auch allgemeinste Form der bürgerlichen Produktions-

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mode of production. It characterizes this mode of production as a particular species of social production, and therewith as one of a historical and transitory character. If one considers it to be the eternal natural form of social production, one necessarily overlooks the specificity of the value form as well—and consequently that of the commodity form, together with its further developments, the money form, the capital form, etc.

Again, this general claim is backed by specific examples. Marx brings two arguments why economists who understand that value comes from labor nevertheless do not understand money: (1) the theories they come up with contradict each other, and (2) these errors become especially apparent when they theorize the higher forms of money, such as the banking system. The fear to unmask the capitalist system interferes more with the explanation of the more developed forms than that of the most basic and abstract ones:

32 ctd That is why certain economists who are entirely agreed that labor-time is the measure of the magnitude of value, have the strangest and most contradictory notions concerning money, the universal equivalent in its finished form. This emerges sharply when they deal with banking, where the commonplace definitions of money will no longer do. Hence there has arisen in opposition to the classical economists a restored Mercantilist System (Ganilh etc.), which sees in value only the social form, or rather the insubstantial ghost of that form.—

weise, die hierdurch als eine besondere Art gesellschaftlicher Produktion und damit zugleich historisch charakterisiert wird. Versieht man sie daher für die ewige Naturform gesellschaftlicher Produktion, so übersieht man notwendig auch das Spezifische der Wertform, also der Warenform, weiter entwickelt in der Geldform, Kapitalform usw.

32 ctd Man findet daher bei Ökonomen, welche über das Maß der Wertgröße durch Arbeitszeit durchaus übereinstimmen, die kunterbuntesten und widersprechendsten Vorstellungen von Geld, d.h. der fertigen Gestalt des allgemeinen Äquivalents. Dies tritt schlagend hervor z.B. bei der Behandlung des Bankwesens, wo mit den gemeinplätzlichen Definitionen des Geldes nicht mehr ausgereicht wird. Im Gegensatz entsprang daher ein restauriertes Merkantilsystem (Ganilh usw.), welches im Wert nur die gesellschaftliche Form sieht oder vielmehr nur ihren substanzlosen Schein.—

↑ The error Marx is alluding to here is that of considering money to be only a social agreement and forget its substance. Marx will say more about this in chapter Two, [184:3/oo](#).

Question 345 (*Tue Sep 21–Thu Sep 23*) *How are the errors which bourgeois economics makes in those questions which it tries to answer related to the question which it did not want to ask?* [2008fa](#).

Question 346 (*Tue Sep 21–Thu Sep 23*) *What did and what didn't the classical economists find out?* [2008fa](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [1997WI](#).

A detailed sociology-of-science explanation of the role of political economy is given in the afterword to the second edition, see e.g. [96:3/o](#). Here only the following remark:

32 ctd Let me point out once and for all that by classical political economy I mean all the economists who, since the time of W. Petty, have investigated the real inner structure of bourgeois relations of production, as opposed to the vulgar economists who only flounder around within the apparent structure of those relations, ceaselessly ruminate on the materials long since provided by scientific political economy, in order to lend plausibility to the crudest phenomena for bourgeois daily food. Apart from this, the vulgar

32 ctd Um es ein für allemal zu bemerken, verstehe ich unter klassischer politischer Ökonomie alle Ökonomie seit W. Petty, die den innern Zusammenhang der bürgerlichen Produktionsverhältnisse erforscht im Gegensatz zur Vulgärökonomie, die sich nur innerhalb des scheinbaren Zusammenhangs herumtreibt, für eine plausible Verständlichmachung der sozusagen gröbsten Phänomene und den bürgerlichen Hausbedarf das von der wissenschaftlichen Ökonomie längst gelieferte Material stets von neuem wiederkaut,

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economists confine themselves to systematizing in a pedantic way, and proclaiming for everlasting truths, the banal and complacent notions held by the bourgeois agents of production about their own world, which is to them the best possible one.

Question 347 (*Tue Sep 21–Thu Sep 23*) *What is Marx's difference between bourgeois economists and vulgar economists?* [2009fa](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#).

Let us now return from the footnotes to the main text, which was not so much concerned with the factual theoretical errors of political economy but with its uncritical avoidance of certain questions. Since mainstream political economy accepts the historically specific forms as nature-given necessities, it has no better way out, when confronted with historically different economic formations, than a religion that is confronted with other religions: Hence the pre-bourgeois forms of the social organization of production are treated by political economy in much the same way as pre-Christian religions were treated by the Fathers of the Church.³³

im übrigen aber sich darauf beschränkt, die banalen und selbstgefälligen Vorstellungen der bürgerlichen Produktionsagenten von ihrer eigenen besten Welt zu systematisieren, pedantisieren und als ewige Wahrheiten zu proklamieren.

Vorbürgerliche Formen des gesellschaftlichen Produktionsorganismus werden daher von ihr behandelt wie etwa von den Kirchenvätern vorchristliche Religionen.³³

With this, Marx dives into another long footnote. It elaborates on the inadequate treatment of pre-bourgeois modes of production by political economy, stemming from their failure to recognize the historical specificity of their own mode of production, and then says something about modes of production in general. It starts with a quote from *Misery of Philosophy*:

³³ “The economists have a singular way of proceeding. For them, there are only two kinds of institutions, artificial and natural. The institutions of feudalism are artificial institutions, those of the bourgeoisie are natural institutions. In this they resemble the theologians, who likewise establish two kinds of religion. Every religion which is not theirs in an invention of men, while their own is an emanation of God . . . Thus there has been history, but there is no longer any.” (Karl Marx, *Misère de la philosophie. Réponse à la philosophie de la misère de M. Proudhon*, 1847, p. 113).

The example of a blatant mis-representation of earlier economies by a bourgeois economist illustrates this general statement:

^{33 ctd} Truly comical is M. Bastiat, who imagines that the ancient Greeks and Romans lived by plunder alone. For if people live by plunder for centuries there must, after all, always be something there to plunder; in other words, the objects of plunder must be continually reproduced. It seems, therefore, that even the Greeks and the Romans had a process of production, hence an economy, which constituted the material basis of their world as much as the bourgeois economy constitutes that of the present-day world. Or per-

³³ „Die Ökonomen verfahren auf eine sonderbare Art. Es gibt für sie nur zwei Arten von Institutionen, künstliche und natürliche. Die Institutionen des Feudalismus sind künstliche Institutionen, die der Bourgeoisie natürliche. Sie gleichen darin den Theologen, die auch zwei Arten von Religionen unterscheiden. Jede Religion, die nicht die ihre ist, ist eine Erfindung der Menschen, während ihre eigene Religion eine Offenbarung Gottes ist.—Somit hat es eine Geschichte gegeben, aber es gibt keine mehr.“ (Karl Marx, *Misère de la philosophie. Réponse à la philosophie de la misère de M. Proudhon*, 1847, p. 113.)

^{33 ctd} Wahrhaft drollig ist Herr Bastiat, der sich einbildet, die alten Griechen und Römer hätten nur von Raub gelebt. Wenn man aber viele Jahrhunderte durch von Raub lebt, muß doch beständig etwas zu rauben da sein oder der Gegenstand des Raubes sich fortwährend reproduzieren. Es scheint daher, daß auch Griechen und Römer einen Produktionsprozeß hatten, also eine Ökonomie, welche ganz so die materielle Grundlage ihrer Welt bildete wie die bürgerliche Ökonomie die der heutigen Welt. Oder meint Ba-

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haps Bastiat means that a mode of production based on the labor of slaves is based on a system of plunder? In that case he is on dangerous ground. If a giant thinker like Aristotle could err in his assessment of slave labor, why should a dwarf economist like Bastiat be right in his assessment of wage labor?

If Bastiat means by plunder the plundering of the defeated provinces, then the argument is that the things plundered must also be produced. If Bastiat means that slave labor is plunder, then one has to wonder whether wage labor should be called plunder too.

Footnote 33 concludes with a highly interesting additional remark, in which Marx refers back to his famous passage in the preface to the *Contribution to the Critique of Political Economy*. The importance of this remark was pointed out by Balibar in [AB70, p. 217].

^{33 ctd} I seize this opportunity of briefly refuting an objection made by a German-American publication to my work *A Contribution to the Critique of Political Economy*, 1859. My view is that each particular mode of production, and the relations of production corresponding to it at every given moment, in short ‘the economic structure of society’, is ‘the real foundation, on which arises a legal and political superstructure and to which correspond definite forms of social consciousness’, and that ‘the mode in which material life is produced conditions the general process of social, political and intellectual life’. In the opinion of the German-American publication this is all very true for our own times, in which material interests are preponderant, but not for the Middle Ages, dominated by Catholicism, nor for Athens and Rome, dominated by politics.

Before responding to the argument, Marx indicates that this is not a new interpretation of Middle Ages and the ancient world. By implication: if there is something to it, he, Marx, would have considered it. And indeed, Marx shows again and again, especially in his *Theories of Surplus-Value*, that he is very familiar with the literature. Although he is very critical of the writings of his contemporaries, it is second nature to him to consider it carefully—not only because of the insights it may contain but also because they are “socially valid . . . forms of thought” (169:1) generated by the capitalist relations of production.

^{33 ctd} In the first place, it strikes us as odd that anyone should suppose that these well-worn phrases about the Middle Ages and the ancient world were unknown to anyone else.

In his substantive response, Marx reaffirms an explanation which seems to say that production is the ultimate determinant because nothing can happen in a society before people are clothed and fed.

^{33 ctd} One thing is clear: the Middle Ages could not live on Catholicism, nor could the ancient world on politics. On the contrary, it is the manner in which they gained their livelihood

stiat etwa, daß eine Produktionsweise, die auf der Sklavenarbeit beruht, auf einem Raubsystem ruht? Er stellt sich dann auf gefährlichen Boden. Wenn ein Denkriese wie Aristoteles in seiner Würdigung der Sklavenarbeit irrite, warum sollte ein Zwergökonom, wie Bastiat, in seiner Würdigung der Lohnarbeit richtig gehn?

If Bastiat means by plunder the plundering of the defeated provinces, then the argument is that the things plundered must also be produced. If Bastiat means that slave labor is plunder, then one has to wonder whether wage labor should be called plunder too.

Footnote 33 concludes with a highly interesting additional remark, in which Marx refers back to his famous passage in the preface to the *Contribution to the Critique of Political Economy*. The importance of this remark was pointed out by Balibar in [AB70, p. 217].

^{33 ctd} Ich ergreife diese Gelegenheit, um einen Einwand, der mir beim Erscheinen meiner Schrift “Zur Kritik der Pol. Oekonomie”, 1859, von einem deutsch-amerikanischen Blatte gemacht wurde, kurz abzuweisen. Es sagte, meine Ansicht, daß die bestimmte Produktionsweise und die ihr jedesmal entsprechenden Produktionsverhältnisse, kurz “die ökonomische Struktur der Gesellschaft die reale Basis sei, worauf sich ein juristischer und politische Überbau erhebe und welcher bestimmte gesellschaftliche Bewußtseinsformen entsprächen”, daß “die Produktionsweise des materiellen Lebens den sozialen, politischen und geistigen Lebensprozeß überhaupt bedinge”,—alles dies sei zwar richtig für die heutige Welt, wo die materiellen Interessen, aber weder für das Mittelalter, wo der Katholizismus, noch für Athen und Rom, wo die Politik herrschte.

^{33 ctd} Zunächst ist es befreindlich, daß jemand vorauszusetzen beliebt, diese weltbekannten Redensarten über Mittelalter und antike Welt seien irgend jemand unbekannt geblieben.

^{33 ctd} Soviel ist klar, daß das Mittelalter nicht vom Katholizismus und die antike Welt nicht von der Politik leben konnte. Die Art und Weise, wie sie ihr Leben gewannen, erklärt umgekehrt,

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which explains why in one case politics, in the other case Catholicism, played the main role. Regarding the Roman Republic, for instance, one needs no more than a slight acquaintance with its history to be aware that its secret history is the history of landed property. On the other hand, already Don Quixote had to pay for the mistake of believing that knight errant was equally compatible with all economic forms of society.

This argument for the centrality of the mode of production seems at first sight (a) quite unrelated to the topic under discussion, and (b) false, a non sequitur. (a) One might wonder what it has to do with commodity fetishism, and (b) it has also been often remarked that the fact that the economy provides the basic necessities for the survival of society does not necessarily imply that the economic sphere *directs* society.

In order to answer these two objections, one has to see them in their relationship. If one understands why this topic is discussed here, in the commodity fetishism section, one also understands how economics is so dominant. The missing link is people's lack of consciousness. Balibar [AB70, p. 216] noticed some of this when he pointed out that the preponderance of the economic sphere was most direct when fetishism was most thorough.

Now back to the main text:

176:1 How utterly some economists are deceived by the fetishism attached to the world of commodities, or by the *objective* appearance of the *social* characteristics of labor, is shown, among other things, by the dull and tedious dispute over the *part played by nature* in the formation of exchange-value. Since exchange-value is a specific social manner of expressing the labor bestowed on a thing, it can have no more natural content than do, for example, international *currency exchange rates*.

This may seem a silly dispute, since it seems so simple to look through the fetish-like character of the *commodity*. Things look different as soon as more developed forms are considered.

176:2 As the *commodity-form* is the most general and the least developed form of bourgeois production, it makes its appearance at an early date, though not in the same predominant and therefore characteristic manner as nowadays. Hence its fetish character seems still relatively easy to penetrate. But when we come to more concrete forms, not even the appearance of simplicity remains. Where did the illusions of the Monetary System come from? The adherents of the Monetary System did not see that gold and silver, as money, represent a

warum dort die Politik, hier der Katholizismus die Hauptrolle spielt. Es gehört übrigens wenig Bekanntschaft z.B. mit der Geschichte der römischen Republik dazu, um zu wissen, daß die Geschichte des Grundeigentums ihre Geheimgeschichte bildet. Andrereits hat schon Don Quixote den Irrtum gebüßt, daß er die fahrende Ritterschaft mit allen ökonomischen Formen der Gesellschaft gleich verträglich wähnte.

97:1 Wie sehr ein Teil der Ökonomen von dem der Warenwelt anklebenden Fetischismus oder dem *gegenständlichen* Schein der *gesellschaftlichen* Arbeitsbestimmungen getäuscht wird, beweist u.a. der langweilig abgeschmackte Zank über die *Rolle der Natur* in der Bildung des Tauschwerts. Da Tauschwert eine bestimmte gesellschaftliche Manier ist, die auf ein Ding verwandte Arbeit auszudrücken, kann er nicht mehr Naturstoff enthalten wie etwa der *Wechselkurs*.

97:2 Da die *Warenform* die allgemeinste und unentwickelteste Form der bürgerlichen Produktion ist, weswegen sie früh auftritt, obgleich nicht in derselben herrschenden, also charakteristischen Weise wie heutzutag, scheint ihr Fetischcharakter noch relativ leicht zu durchschauen. Bei konkreteren Formen verschwindet selbst dieser Schein der Einfachheit. Woher die Illusionen des Monetarsystems? Es sah dem Gold und Silber nicht an, daß sie als Geld ein gesellschaftliches Produktionsverhältnis darstellen, aber in der Form von Naturdingen mit

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social relation of production, albeit in the form of natural objects with peculiar social properties. And what of modern political economy, which looks down so disdainfully on the Monetary System? Does not its fetishism become quite palpable as soon as it deals with *capital*? How long is it since the disappearance of the Physiocratic illusion that ground rent grows out of the soil not out of society?

Both the Moore-Aveling and the Ben Fowkes translations say it “is” still relatively easy to see through, instead of “seems.” However the first edition and also Contribution,

275:1/o, both say: it *is* relatively easy (although right afterwards Contribution says: “*verschwindet dieser Schein der Einfachheit.*” And Marx did make the change

sonderbar gesellschaftlichen Eigenschaften. Und die moderne Ökonomie, die vornehm auf das Monetarsystem herabgrinst, wird ihr Fetischismus nicht handgreiflich, sobald sie das *Kapital* behandelt? Seit wie lange ist die physiokratische Illusion verschwunden, daß die Grundrente aus der Erde wächst, nicht aus der Gesellschaft?

from “is” to “seems” during the revisions of this chapter for the second edition, emphasizing that the mystification is not really simple; is only seems so.

When Marx says that the fetish-like character of the commodity *seems* relatively easy to penetrate, the implication is that it *is* not really easy. The error which one is likely to commit here is discussed in chapter Two, 184:3/oo, and also footnotes 27 and 32 here: it is equally wrong to consider commodities merely as social symbols without appreciating the importance of the objectified form of social relations.

In Contribution 275:1/o, Marx gives the following poignant formulation:

All the illusions of the monetary system arise from the failure to perceive that money, although a physical object with distinct properties, represents a social relation of production. As soon as the modern economists, who sneer at the illusions of the monetary system, deal with the more complex economic categories, such as capital, they display the same illusions. This emerges clearly in their confession of naive astonishment when the phenomenon that they have just ponderously described as a thing reappears as a social relation and, a moment later, having been defined as a social relation, teases them once more as a thing.

Marx ends the chapter with some comical remarks:

176:3/o But, to avoid anticipating, we will content ourselves here with one more example concerning the commodity-form itself. If commodities could speak, they would say this: our use-value may interest humans, but it does not belong to us as objects. What does belong to us as *objects*, however, is our value. Our own interactions as commodity objects prove it. We relate to each other only as exchange-values.

97:3 Um jedoch nicht vorzugreifen, genüge hier noch ein Beispiel bezüglich der Warenform selbst. Könnten die Waren sprechen, so würden sie sagen, unser Gebrauchswert mag den Menschen interessieren. Er kommt uns nicht als Dingen zu. Was uns aber *dinglich* zukommt, ist unser Wert. Unser eigner Verkehr als Warendinge beweist das. Wir beziehn uns nur als Tauschwerte aufeinander.

Question 349 (Tue Sep 21–Thu Sep 23) How does Marx know what commodities would say if they could speak? 2009fa, 2007SP, 2005fa, 2004fa, 2003fa.

The speaking commodities exemplify a symmetric counterpart of commodity fetishism. While people act as if they were thinking that the social properties of commodities come

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from nature, commodities relate to each other as if they were thinking that the natural properties of commodities come from the humans. The following quotes show that this nonsense is echoed by published economists:

Now listen how the economist makes himself the mouthpiece of the commodities:

177:1 ‘Value (i.e. exchange-value) is a *property of things*, riches (i.e. use-value) of man. Value, in this sense, necessarily implies exchanges, riches do not.’³⁴

Marx brings a second quote, which is almost identical although it comes from a different source: These sources are, according to footnotes 34 and 35, [Ano21, p. 16] and [Bai25, p. 165 seq.].

177:2 ‘Riches (use-value) are the attribute of man, value is the *attribute of commodities*. A man or a community is rich, a pearl or a diamond is *valuable* … A pearl or a diamond has *value as pearl or diamond*.’³⁵

Man höre nun, wie der Ökonom aus der Warenseel heraus spricht:

“Wert” (Tauschwert) “ist Eigenschaft der Dinge, Reichtum” (Gebrauchswert) “des Menschen. Wert in diesem Sinn schließt notwendig Austausch ein, Reichtum nicht.”³⁴

„Reichtum“ (Gebrauchswert) „ist ein Attribut des Menschen, Wert ein Attribut der Waren. Ein Mensch oder ein Gemeinwesen ist reich; eine Perle oder Diamant ist wertvoll … Eine Perle oder Diamant hat Wert als Perle oder Diamant.“³⁵

The first of these two quotes is discussed by Marx at some length in *Theories of Surplus-Value* [mecw32]316:7:

RICHES in this context are use-values. It is true, use-values are wealth only in relation to humans. But it is by its own PROPERTY that something is a use-value and therefore an element of wealth for humans. Take away from the grape the properties which make it a grape, and the use-value which it has as a grape for humans disappears; and it ceases to be, as a grape, an element of wealth. Riches as identically with use-value are *properties of things* THAT ARE MADE USE OF BY MEN AND WHICH EXPRESS A RELATION TO THEIR WANTS. As against this, “value” is supposed to be the “PROPERTY OF THINGS”!

In *Capital*, Marx expresses similar thoughts as follows:

177:3–4 So far no chemist has ever discovered exchange-value in pearl or diamond. The economists who claim to have discovered this chemical substance with their special critical acumen, come to the conclusion that the use-value of material objects belongs to these objects independently of their material properties, while their value, on the other hand, forms a part of them as objects. What confirms them in this view is the curious fact that the use-value of a thing is realized for the humans *without exchange*, i.e., in the direct relation between thing and person, while, inversely, its value is realized only in exchange, i.e., in a *social process*.

98:1–2 Bisher hat noch kein Chemiker Tauschwert in Perle oder Diamant entdeckt. Die ökonomischen Entdecker dieser chemischen Substanz, die besondren Anspruch auf kritische Tiefe machen, finden aber, daß der Gebrauchswert der Sachen unabhängig von ihren sachlichen Eigenschaften, dagegen ihr Wert ihnen als Sachen zukommt. Was sie hierin bestätigt, ist der sonderbare Umstand, daß der Gebrauchswert der Dinge sich für den Menschen *ohne Austausch* realisiert, also im unmittelbaren Verhältnis zwischen Ding und Mensch, ihr Wert umgekehrt nur im *Austausch*, d.h. in einem *gesellschaftlichen Prozeß*.

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“ökonomischen Entdecker dieser chemischen Substanz” (literally: economic discoverer of this

chemical substance) refers again to the incongruity between economic form and physical content. The

translation misses that! In the first edition it was simply “our authors” (unsere Verfasser).

The bourgeois economists thought they were “confirmed” in their absurd views by the following arguments

1. Use-value is realized in the relation between object and man, therefore the economists think it comes from man, not the object. This is also how the speaking commodities themselves in 176:3/o conclude that their use-values cannot be attributed to them as objects.
2. Value is realized only in the exchange. Exchange is seen as a relation between things, therefore value seems to belong to the things. Again this is exactly what the speaking commodities themselves said.

By his appositions “without exchange” to 1. and “i.e., in a *social* process” to 2., Marx shows the absurdity of this reasoning.

This inversion of the natural and social is reminiscent of the following passage from Shakespeare’s *Much Ado About Nothing*:

Who would not be reminded at this point of the advice given by the good Dogberry to the night-watchman Seacoal?

‘To be a well-favored man is the gift of fortune; but reading and writing comes by nature.’³⁶

Wer erinnert sich hier nicht des guten Dogberry, der den Nachtwächter Seacoal belehrt:

“Ein gut aussehender Mann zu sein ist eine Gabe der *Umstände*, aber lesen und schreiben zu können kommt von *Natur*.³⁶

A “well-favored man” is here a good-looking man, unambiguously in Marx’s German translation.

Question 350 (Tue Sep 21–Thu Sep 23) How is it a manifestation of fetishism to speak of “rich” people and “valuable” things? 2008fa, 2005fa, 2002fa, 1997WI.

Footnote 36 takes up once more the theme of footnote 32 to paragraph 173:1/oo.

³⁶ Both the author of *Observations etc.* and S. Bailey accuse Ricardo of converting exchange-value from something merely relative into something absolute. He did exactly the reverse. He reduced the seeming relativity, which these things (diamond, pearls, etc.) possess as exchange-values to the true relation hidden behind this semblance, namely their relativity as mere expressions of human labor. If the followers of Ricardo answer Bailey rudely, but not convincingly, this is because they are unable to find in Ricardo’s own works any elucidation of the inner connection between value and the form of value (exchange-value).

³⁶ Der Verfasser der „Observations“ und S. Bailey beschuldigen Ricardo, er habe den Tauschwert aus einem nur Relativen in etwas Absolutes verwandelt. Umgekehrt. Er hat die Scheinrelativität, die diese Dinge, Diamant und Perlen z.B., als Tauschwerte besitzen, auf das hinter dem Schein verborgne wahre Verhältnis reduziert, auf ihre Relativität als bloße Ausdrücke menschlicher Arbeit. Wenn die Ricardianer dem Bailey grob, aber nicht schlagend antworten, so nur, weil sie bei Ricardo selbst keinen Aufschluß über den inneren Zusammenhang zwischen Wert und Wertform oder Tauschwert fanden.

Question 351 (Tue Sep 21–Thu Sep 23) Why does Marx say in footnote 36 to paragraph 177:3–4 that the commodities diamond, pearl, etc., only seem to possess relativity as exchange-values? Are exchange-values not relative by definition? 2008SP, 2007fa, 2007SP.

2. The Exchange Process

Chapter One showed that production, under capitalism, is organized around the allocation of society's labor-power (which is treated as one homogeneous mass with only quantitative differences) to the different branches of production. Since the actual co-ordination of the different production processes according to these principles takes place outside of the production process itself, in the market, section 1.3 pursued the process through which the inner measure of all commodities, abstract labor, finds a fitting surface representation, namely, money. Chapter Two looks at the *individual* actions and relations on the *surface* of the economy, i.e., the market. It explores how individuals depend on and reproduce the structural relations of production discussed in chapter One.

The relation between society and individual can be compared with that between two animals in symbiosis. Society does not determine what the individuals do, nor does it *guarantee* the individuals their survival. Rather, individuals must use the social relations and institutions in order to pursue their own goals. The social structures come to life because the need to survive forces people to accept the "character masks" provided for them by the social relations. On the other hand, this social framework can only persist if it enables individuals to survive and reproduce, otherwise individuals would have no choice but to act outside the social framework.

Chapter Two shows that individuals are indeed motivated to use the social framework developed in chapter One. Commodity owners can best achieve their goals in the commodity exchange if they implement in practice those social forms, derived in section 1.3 of chapter One, by which commodities express their values. The technical difficulties of the exchange are resolved by social forms which were derived not as instruments to facilitate the exchange, but as the forms in which value appropriately expresses itself.

It is not surprising that the forms which are most appropriate expressions of the inner structure of the commodity also facilitate the surface interactions between commodities. But it is also not a tautology, and the fit between structural expression and practical usefulness is not perfect. Chapters Four, Five, and Six will show that money not only facilitates exchange, but that money fosters behaviors that go beyond the economic necessities of simple commodity production. (In these Annotations here this will be called the "curse" of money).

Question 354 (*Fri Oct 1–Mon Oct 4*) Why a separate chapter about the exchange process? Has the exchange not already been discussed in chapter One? [2009fa](#), [2008fa](#), [1998WI](#), [1997ut](#), [1997sp](#), [1997WI](#), [1995ut](#), [1995WI](#).

Marx did not subdivide chapter Two, but for the purpose of this commentary it is divided into four sections.

The first section, *Social Prerequisites of Commodity Production*, consists of one paragraph only, 178:1/o, which gives a brief overview of the social relations that are *necessary* for production to take the form of commodity production. People must recognize each other as private owners, i.e., treat each other as disconnected strangers.

2.1. [Prerequisites of Commodity Production]

In the second section, *Dilemmas Inherent in the Commodity Exchange* 179:1–181:1, Marx asks the opposite question: how do commodity relations affect individual actions and interactions. Marx describes the dilemmas which a commodity owner encounters who is trying to make exchanges in such a way that his or her personal interests are met.

Marx argues that these dilemmas are unsolvable on an individual level, but that the *social* act of separating money from the ordinary commodities creates the framework for its resolution. The next section, *Historical Development of the Commodity Form* 181:2–184:2, shows how this social act came to be performed in history.

The final section, *Ideologies of Money and its Fetish-Like Character* 184:3–187, discusses the false consciousness generated by the practical market interactions: money as a symbol, the quantitative expression of the value of the money commodity, and the magic of money.

2.1. [Social Prerequisites of Commodity Production]

178:1/o Commodities cannot go to market by themselves in order to exchange themselves.

In chapter One, the commodity was depicted as something active. Chapter Two begins with the sobering observation that commodities, by themselves, cannot even walk to the market. We must therefore look what their keepers are doing, the commodity owners.

Although chapter Two is a discussion of volitional individual agency, this formulation shows that center stage is still occupied by the commodity, not its owner. The exchange process is introduced as something which the *commodities* need to do, not their owners. The word “keeper” or “guardian” (*Hüter*) indicates that the main actor is not the owner but the commodity. The owners of the commodities get our attention only because nothing in society happens unless some individual carries it out—but this does not mean that the individual is in charge. In our mental image we should not visualize owners carrying their commodities to the market, but commodities dragging their owners along with them to the market.

The keeper of the commodity is its private owner, i.e., Marx introduces here the concept of private property. The first thing to know about private property is that it is not a relation between thing and person but a *social* relation—because something is yours only if others in society respect your property. Just as value is a social relation that looks like an attribute of things, so is private property a social relation that looks like a bond between people and things.

Commodities are things, and can therefore not put up resistance against man. If they do not comply with his will, he can use force—in other words, he can take them.³⁷

99:1/o Die Waren können nicht selbst zu Markte gehen und sich nicht selbst austauschen.

Wir müssen uns also nach ihren Hütern umsehen, den Warenbesitzern.

Die Waren sind Dinge und daher widerstandslos gegen den Menschen. Wenn sie nicht willig, kann er Gewalt brauchen, in andren Worten, sie nehmen.³⁷

“Take possession” is a too formal translation of the German word “nehmen,” which denotes a simple practical act disregarding social

↑ Marx not only says that private property is a social relation, but he puts his own spin on this: he describes the commodity as having its own will. The commodity belongs to *P* and therefore only wants to be used by *P*. It would like to see its will respected by the

2. Exchange Process

humans—but the commodity itself has no recourse if the non-owner *Q* ignores the social relations crystallized in the commodity and treats it as a thing which he can simply *take* (see *Grundrisse*, 94:1).

Therefore, a social relation between the commodity *owners* is necessary. It is society, not the commodity itself, which prevents *Q* from taking the commodity unless its owner *P* agrees to it.

In order to relate these objects to one another as commodities, their keepers must relate to each other as persons, whose wills reside in these objects.

Um diese Dinge als Waren aufeinander zu beziehen, müssen die Warenhüter sich zueinander als Personen verhalten, deren Willen in jenen Dingen haust, ...

The persons whose “wills reside in these objects” are the private owners of these objects. If *P* steals *Q*’s commodity, he automatically violates the will of *Q*, whether or not *Q* witnesses the theft or actually needs the commodity that is stolen from him. Whoever wants to use something that is the property of *Q* must have the permission of *Q*. *Q*’s will refers not only to his or her body, but to a circle of things around it. If you *use* a hammer, your will does not reside in the hammer; having one’s will reside in an object is a different relationship than that of using the object. People’s wills reside no longer in their persons, activities, interpersonal relations, but in things.

Question 358 (*Fri Oct 1–Mon Oct 4*) Explain in your own words Marx’s phrase that the commodity owners’ will “resides” in the objects which are his property.

Is this a good thing or not? Where does it have its limits in our society? Are there things for which it is desirable that people’s wills reside in them? [2008fa](#), [2008SP](#), [2004fa](#), [1997sp](#), [1997WI](#), [1996sp](#), [1995ut](#), [1995WI](#).

Usually *Q* will only then get *P*’s permission to use *P*’s commodity if he can give one of his own commodities in exchange. This leads us back to the topic of this chapter, the exchange process:

In order to appropriate the commodity of the other, and alienate his own, each owner has to consent with the other, i.e., it is an act of will common to both parties.

... so daß der eine nur mit dem Willen des andren, also jeder nur vermittelst eines, beiden gemeinsamen Willensaktes sich die fremde Ware aneignet, indem er die eigne veräußert.

With personal property (toothbrush, clothes, home, car) you have the right to exclude others from using these things because they are part of your person. Commodity exchange gives a different reason for denying others the use of the things which are your property: others cannot have your things unless they give you some of theirs. Private property becomes the means to access others’ property.

Although both parties freely agree to the exchange, the parties do not share a common goal. In certain acts of exchange, these goals diverge so much that the transaction is best considered an act of coercion, but it is accompanied by a ritual which makes it look like a voluntary act. This “voluntary” nature of property transfers is one of the means by which private property hooks its owners. Property is not assigned and/or denied to you by some authority, which can become the target of your hatred, but you acquire everything you have by an act of your own will. The worker receiving a minimum wage must tell herself that she consented to her employment relation and that she can always quit her job.

The producers are separated in production and connected in the exchange. The legal relation reflects this separation by the concept of private property, and the connection by the contract [Cat89, p. 25]. These two aspects are very contradictory to each other.

2.1. [Prerequisites of Commodity Production]

This agreement between commodity owners necessary to transfer ownership is only one of many examples of a pervasive “split will” on the part of private owners, about which Marx comments elsewhere. On the one hand, the property owners have complete control over their privately owned objects. On the other hand, they must subordinate their wills to a legal framework which forces them to put the respect of private property above everything else, even above their own lives. The private owner’s will is therefore split. To be private owner of a commodity means, on the one hand, that one is very selfish, since one can dispose over one’s private property without being responsible to anyone. On the other hand, private property can only then be a generally respected principle if the laws of private property take precedence over any human needs. The laws of private property, therefore, turn you into an absolute despot on the one hand, and into a piece of dust on the other. This is a pervasive contradiction for everyone living in a capitalist society. It is especially obvious in situations where ownership of a thing is transferred from one person to another, but this is by far not the only situation where this contradiction comes to the surface.

The keepers must therefore recognize each other as the private owners of their commodities.

Sie müssen sich daher wechselseitig als Privateigentümer anerkennen.

↑ This is the first time Marx uses the word “private owner.” Commodity exchange is only possible if the individuals treat each other as the private owners of their respective commodities. ↓ But this does not mean that the commodity owners first have to enter a legal relation before they can exchange commodities. Rather, by exchanging commodities they implicitly recognize each other as private owners and enter a contract with each other.

This juridical relation, whose form is the contract, whether as part of a developed legal system or not, is a relation between wills in which the economic relation reflects itself.

Dies Rechtsverhältnis, dessen Form der Vertrag ist, ob nun legal entwickelt oder nicht, ist ein Willensverhältnis, worin sich das ökonomische Verhältnis widerspiegelt.

↑ The laws do not create this relation but they only make it explicit. This is argued much more clearly in *Notes on Wagner*, p. [mecw24]553:4–554:1.

By the way, Marx does not say that the juridical relation is a mirror-image of the economic relation, but the juridical relation is like a mirror in which one can see the reflection of the economic relation. This formulation allows the interpretation that the juridical relation has its own autonomy, a modern term for this is “relative autonomy,” it is not a mere derivative of the economic relation.

↓ Although this legal relation is a relation of wills, its content is not created by the individuals but by the economic relations.

The content of this juridical relation or relation of wills is given by the economic relation itself.³⁸

Der Inhalt dieses Rechts- oder Willensverhältnisses ist durch das ökonomische Verhältnis selbst gegeben.³⁸

In this relationship of wills, individuals consider the laws of private property more important than the next person. Individuals remain strangers to each other and only enter into mutual “scratch your back” relations, as described in *Grundrisse* 243₃₄–244₁₂. Marx’s assertion that the content of this relation is given by the economy is reason for hope: people relate to each other in this way not because of human nature, but people are forced to relate this way because of the structure of the society they find themselves in.

Question 362 (*Fri Oct 1–Mon Oct 4*) Which social relations must exist between producers so that they exchange (or buy and sell) their products as commodities? Describe groups or

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societies which have social relations that preclude exchange between individual members. [2008fa](#), [2008SP](#), [2007SP](#), [2005fa](#), [1998WI](#), [1997sp](#), [1996sp](#), [1995ut](#), [1995WI](#).

The emphasis that this relation of wills obtains its content from the economy is again an implicit criticism of Hegel, for whom the state is the incarnation of the will of the people. Marx says, yes, they have to enter a relation of wills, but its content is not theirs but is given to them by the economy. If they want something that is not prescribed to them by the economy, they face bankruptcy, money pump, loss of job, etc.

Footnote 38 illustrates what it means that the content of the legal relation is given by the economy. Proudhon's ideals of justice are only desirable in the context of commodity production, yet he considers them "eternal" principles:

³⁸ Proudhon draws the inspiration for his ideal of justice, of 'eternal justice', from the juridical relations which the production of commodities has made necessary. This, by the way, also furnishes proof, to the consolation of all would-be capitalists, that the commodity form of the product is as eternal as justice.

↑ It must be comforting for the capitalists and their dupes to read that commodity relations conform with the principles of justice. They infer from this that such a just system must last forever. ↓ This erroneous subordination of the actual commodity relations to an ideal of eternal justice leads to the desire to modify the actual relations wherever they do not conform with this ideal:

^{38 ctd} Then Proudhon turns round and seeks to reform the actual production of commodities, and the corresponding legal system, in accordance with this ideal. What would one think of a chemist who, instead of studying the laws governing actual molecular interactions, and on that basis solving specific problems, claimed that those interactions must be modified in order to conform to the 'eternal ideas' of 'naturalness' and 'affinity'? When we say 'usury' contradicts 'eternal justice', 'eternal equity', 'eternal mutuality', and other 'eternal truths', we do not know any more about it than the fathers of the church did when they said usury was incompatible with 'eternal grace', 'eternal faith', and 'God's everlasting will'.

³⁸ Proudhon schöpft erst sein Ideal der Gerechtigkeit, der justice éternelle, aus den der Warenproduktion entsprechenden Rechtsverhältnissen, wodurch, nebenbei bemerkt, auch der für alle Spießbürger so tröstliche Beweis geliefert wird, daß die Form der Warenproduktion ebenso ewig ist wie die Gerechtigkeit.

^{38 ctd} Dann umgekehrt will er die wirkliche Warenproduktion und das ihr entsprechende wirkliche Recht diesem Ideal gemäß ummodelln. Was würde man von einem Chemiker denken, der, statt die wirklichen Gesetze des Stoffwechsels zu studieren und auf Basis derselben bestimmte Aufgaben zu lösen, den Stoffwechsel durch die „ewigen Ideen“ der „naturalité“ und der „affinité“ ummodelln wollte? Weiß man etwa mehr über den „Wucher“, wenn man sagt, er widerspreche der „justice éternelle“ und der „équité éternelle“ und der „mutualité éternelle“ und anderen „vérités éternelles“, als die Kirchenväter wußten, wenn sie sagten, er widerspreche der „grâce éternelle“, der „foi éternelle“, der „volonté éternelle de dieu“?

Question 364 (*Fri Oct 1–Mon Oct 4*) If Proudhon draws his ideals of justice from commodity production, why does real commodity production then contradict these ideals? [2008fa](#), [2003fa](#).

Also the main text argues that (at least at this level of abstraction) the economic relations determine what people want. Commodities act through people:

The persons exist here for one another only as representatives of commodities, therefore as commodity owners.

Die Personen existieren hier nur füreinander als Repräsentanten von Ware und daher als Warenbesitzer.

Marx's remark that individuals exist "here" only as representatives of commodities must be seen in the same spirit as his remark in footnote 15 to paragraph 134:3/o of chapter One

2.1. [Prerequisites of Commodity Production]

that “wages is a category that does not exist yet at this stage of our presentation.” Marx does not mean that people are nothing other than representatives of the commodity relation; he rather means that right now, at the present stage of the presentation of the basic laws of the capitalist economy, this is all we need to know about individuals. Only after having understood the capitalist *social* relations can we discuss in depth the specific ways in which *individuals* fit themselves into or act to transform these relations.

Although people are more than the representatives of commodities, the legal relations necessary for unhindered commodity circulation reduce them to such representatives. In capitalism, people relate to each other not first and foremost as people but first and foremost as property owners. If you as a human being need something, for instance, food for survival, or medicine because you are ill, but you as a property owner cannot pay for it, then the property-owner aspect of you is considered by society more important than the human-being aspect of you. This makes capitalism an inherently *violent* system.

As we proceed to develop our investigation, we shall find, in general, that the persons’ economic character masks are mere personifications of the economic relations as whose carriers they confront each other.

Wir werden überhaupt im Fortgang der Entwicklung finden, daß die ökonomischen Charaktermasken der Personen nur die Personifikationen der ökonomischen Verhältnisse sind, als deren Träger sie sich gegenüberstehen.

Fowkes translates *Charaktermasken* with “the characters who appear on the economic stage” Neither the

Moore-Aveling nor the Fowkes translation uses the term character mask. (The French has “masques divers.”) The term

“Charaktermaske” was already used in 170:1. Something extraneous to human beings, often taken on only temporarily.

The word “character mask” comes from Greek theatre, where the actors wore masks representing the characters they were representing. A character mask is a surface relationship: it consists of the social roles which people play in their interactions. These roles are not a creation of the individuals themselves, but an outgrowth of the economic relations in which these individuals find themselves.

When we meet character masks again in the later development, they will be less innocuous than the fleeting character masks of buyer and seller discussed here. Marx wrote to Engels on April 2, 1858:

This simple circulation, considered as such—and it is the surface of bourgeois society, in which the deeper operations, from which it emanates, are extinguished—evinces no distinction between the subjects of exchange, save formal and evanescent ones … While everything may be “lovely” here, it will soon come to a sticky end, and this as a result of the law of equivalence.

Diese einfache Zirkulation für sich betrachtet, und sie ist die Oberfläche der bürgerlichen Gesellschaft, worin die tieferen Operationen, aus denen sie hervorgeht, ausgelöscht sind, zeigt keinen Unterschied zwischen den Subjekten des Austauschs, außer nur formelle und verschwindende … Kurz, es ist hier alles „scheene“, wird aber gleich ein Ende mit Schrecken nehmen, und zwar infolge des Gesetzes der Äquivalenz.

In chapter Twenty-Three, 711:3/o, Marx shows how the character masks of *capitalist* and *worker* are no longer transitory but remain attached to the same persons.

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2.2. [Dilemmas Inherent in the Barter of Commodities]

The long first paragraph of chapter Two said: products of labor can become commodities only if the commodity owners relate to each other in certain specific ways. This paragraph explored the relations of wills necessary for commodity production to be possible. After this, Marx addresses the opposite question: how does the commodity relation, once it is established, affect the interests and therefore the wills of the commodity owners?

The exchange process is the simplest economic interaction between individuals on the surface of the economy. In the first edition of *Capital*, 51:1, at the very end of what in later editions was to become chapter One, Marx explains why he is looking at the exchange process now:

The commodity is *immediate unity of use-value and exchange-value*, i.e., of two opposite moments. It is, therefore, an immediate *contradiction*. This contradiction must develop as soon as the commodity is not, as it has been so far, analytically considered once under the angle of use-value, once under the angle of exchange-value, but as soon as it is placed as a whole into an actual relation with other commodities. The *actual* relation of commodities with each other, however, is their *exchange process*.

Die Ware ist *unmittelbare Einheit von Gebrauchswert und Tauschwert*, also zweier Entgegengesetzten. Sie ist daher ein unmittelbarer *Widerspruch*. Dieser Widerspruch muß sich entwickeln, sobald sie nicht wie bisher analytisch bald unter dem Gesichtspunkt des Gebrauchswerts, bald unter dem Gesichtspunkt des Tauschwerts betrachtet, sondern als ein Ganzes wirklich auf andere Waren bezogen wird. Die *wirkliche Beziehung* der Waren aufeinander ist aber ihr *Austauschprozeß*.

Here is an attempt to formulate in my own words, and to elaborate, the same ideas which Marx expressed quite tersely in the above passage. It is not incorrect to say that chapter One discusses the inner anatomy of each commodity, and chapter Two discusses the most direct interactions between commodities. However, a characterization which goes a little deeper beneath the surface, and better expresses the connection between the two chapters, would be: chapter One discusses use-value and exchange-value separately, while Two discusses the relationship between use-value and exchange-value. Use-value and exchange-value do not relate with each other *within the commodity*. If we look at the commodity by itself, use-value and exchange-value just sit next to each other like strangers in an airplane or train. This is what Marx means by “immediate unity.” There is no mediation between the two. Yet the commodity silently points to the place where the connection between use-value and exchange-value matters—because it is a commodity only *in relation to other commodities*. And if we look for a situation where this relation is not merely theoretical but practical we arrive at the exchange process. The exchange process is a transaction in which the relation between use-value and exchange-value plays a role: the owners trading their commodities must take both use-value and exchange-value into consideration.

2.2.a. [The Commodity Versus its Owner]

A simple commodity producer going to market in order to barter his products pursues two goals with the same transaction. On the one hand, he wants this exchange to yield the use-value that best suits his needs (this is the personal dimension of the transaction), and on the other, he wants to realize the value of the commodity given in exchange (this is the social dimensions of the transaction). These two goals do not complement each other harmoniously but on the contrary pull in different directions and obstruct each other. They are so much at

2.2. [Dilemmas of Barter]

odds that Marx metaphorically represents them as the goals of two different agents, of the commodity producer himself on the one hand, and his commodity on the other.

↓ Marx first discusses the point of view of the commodity. The commodity is depicted as having its own will because the market relations between commodities are beyond the control of the commodity owner. The commodity, representing the social dimension of the exchange transaction, is single-mindedly interested in realizing its *value*, and is therefore willing to exchange itself with any other commodity which has the same value as itself.

179:1 What chiefly distinguishes a commodity from its owner is the fact that for the commodity, the body of every other commodity counts only as the form of appearance of its own value. A born leveller and cynic, it is always ready to exchange not only soul, but body, with each and every other commodity, even one that is more repulsive than Maritornes herself.

100:1 Was den Warenbesitzer namentlich von der Ware unterscheidet, ist der Umstand, daß ihr jeder andre Warenkörper nur als Erscheinungsform ihres eignen Werts gilt. Geborner Leveller und Zyniker, ist sie daher stets auf dem Sprung, mit jeder anderen Ware, sei selbe auch ausgestattet mit mehr Unannehmlichkeiten als Maritorne, nicht nur die Seele, sondern den Leib zu wechseln.

The first few words “*was den Warenbesitzer namentlich von der Ware unterscheidet*” lead us to expect that the commodity owner will be discussed. And taken as a whole, this paragraph does indeed discuss the commodity owner. But the second half of the first sentence and the second sentence

turn to the commodity as the main subject, not the commodity owner. The thing in which the commodity owner is interested is introduced as the thing in which the commodity itself is *not* interested. And before he gets to this, Marx delineates what commodities *are* interested in. In other words, Marx starts

with the commodity owner, then switches to the commodity, and then goes back to the commodity owner. This back-and-forth is confusing and clumsy. Therefore I eliminated one of these reversals in the translation: in the translation I first speak of the commodity and then of the commodity owner.

↑ The phrase “exchange not only soul but body” suggests a sexual analogy: a person’s animal instincts are eager to perform the sex act regardless with whom, while the person as a human being is selective about the person they want to share their life with.

Maritornes is a character from Cervantes’ novel *Don Quixote*.

Question 368 (*Fri Oct 1–Mon Oct 4*) Are commodities selfish? [2009fa](#), [2001fa](#), [2000fa](#).

Whenever a commodity owner tries to exchange a commodity, he or she is entering a society-wide relationship—because this exchange determines whether the commodity offered fits into the social division of labor. Any exchange (short of a liquidation sale) is validation of the labor inside the commodity as socially necessary labor. The use-value of the other commodity for which a given commodity is exchanged is irrelevant for this validation. This is why Marx says: the commodities (which represent this social relation) are not interested in the use-values of the other commodity for which they are exchanged.

Question 370 (*Fri Oct 1–Mon Oct 4*) In chapter Two, Marx depicts commodities as conscious beings which are eager to be exchanged, but do not care about the use-value of the commodity they are exchanged for. Why are commodities, which are inanimate things, depicted here as beings with their own will which comes into conflict with the will of their owners, and why do they not care about the use-value of the other commodity? [2009fa](#), [2008fa](#), [2008SP](#), [2003fa](#), [2001fa](#), [2000fa](#), [1998WI](#), [1997ut](#), [1997sp](#), [1997WI](#), [1996ut](#), [1996sp](#), [1995ut](#), [1995WI](#).

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Question 371 (Fri Oct 1–Mon Oct 4) Is is a good characterization of the exchange process to say: The commodity owner throws his commodity on the market and tries to get as much use-value as he can for it? 2008fa, 2007SP.

↓ The exchange transaction also has a private dimension, because it also decides whether the commodity producer will be rewarded for the labor he or she put into the commodity. This is a different point of view than the social point of view. Now the use-value of the commodity received in exchange matters very much. If the commodity which the producer gets in return is not useful to him or her, then the producer's labor may be socially validated, yet the producer's personal objective, to receive the use-value he or she needs, is not achieved. This private dimension of the exchange is depicted here as the point of view of the commodity-owner. In contrast to the commodity itself, the commodity owner is very interested in the use-value of the other commodity:

The commodity's lacking sense for the concrete bodily features of the other commodity is supplemented by the five or more senses of the commodity owner.

Diesen der Ware mangelnden Sinn für das Konkrete des Warenkörpers ergänzt der Warenbesitzer durch seine eigenen fünf und mehr Sinne.

“Sinn für das Konkrete des Warenkörpers” is a pun. “Sinn für das Konkrete” means practical

sense. The “Konkrete des Warenkörpers” is its use-value aspect, produced by concrete

labor.

↓ One can even say that the owner's actions are *only* governed by use-values—if one extends the concept of use-value a little. The five or more senses of the commodity owner do not include a sense for the social relations in which the commodity is embedded.

For the owner, his commodity possesses no immediate use-value. If it did, he would not bring it to market. It has use-value for others. For him, immediately, its only use-value is that of being a carrier of exchange-value, and therefore a means of exchange.³⁹ This is why he wants to relinquish it, in exchange for commodities whose use-values are of service to him.

Seine Ware hat für ihn keinen unmittelbaren Gebrauchswert. Sonst führte er sie nicht zu Markt. Sie hat Gebrauchswert für andre. Für ihn hat sie unmittelbar nur den Gebrauchswert, Träger von Tauschwert und so Tauschmittel zu sein.³⁹ Darum will er sie veräußern für Ware, deren Gebrauchswert ihm Genüge tut.

↑ This is the Hegelian conclusion that becoming a use-value is the union of not being a use-value and being a use-value. But while Hegel begins with being, Marx begins here with non-being. The commodity (say a sandal) is not an immediate use-value for its producer. This non-being implies being: the sandal has use-value as a means of exchange exactly because it does not have immediate use-value. The aim of the exchange is then the becoming, since the intention is to turn the sandal into something which the owner can actually use.

Question 373 (Fri Oct 1–Mon Oct 4) In 179:1, Marx seems to enjoy the play of words that the use-value which the commodity has immediately is not an immediate use-value for its owner. Explain. 2009fa, 2008fa, 2008SP, 2005fa.

Question 374 (Fri Oct 1–Mon Oct 4) First Marx says that the commodity has no immediate use-value for its owner. Then he says that its immediate use-value is that of serving as a means of exchange. Aren't these two statements contradictory? Does or doesn't have the commodity an immediate use-value? 2009fa, 2008SP.

2.2. [Dilemmas of Barter]

Marx distinguishes here two kinds of use-value. The *immediate* use-value is the use-value we know from the beginning of chapter One, this is the use-value which only realizes itself in use or consumption (see 126:1). The use-value referred to in the fourth sentence, the use-value of a commodity as means of exchange, is its *formal* use-value, see 184:1 later in chapter Two. ↓ Footnote 39 clarifies once more the distinction between immediate and formal use-value, and at the same time documents that this distinction goes all the way back to Aristotle:

³⁹ ‘For twofold is the use of every object ... The one is peculiar to the object as such, the other is not, as a sandal which may be worn and is also exchangeable. Both are uses of the sandal, for even he who exchanges the sandal for the money or food he is in need of, makes use of the sandal as a sandal. But not in its natural way. For it does not exist for the sake of being exchanged’ (Aristotle, Republic, I, i, c. 9).

³⁹ „Denn zweifach ist der Gebrauch jedes Guts.—Der eine ist dem Ding als solchem eigenen, der andre nicht, wie einer Sandale, zur Beschuhung zu dienen und austauschbar zu sein. Beides sind Gebrauchswerte der Sandale, denn auch wer die Sandale mit dem ihm Mangelnden, z.B. der Nahrung austauscht, benutzt die Sandale als Sandale. Aber nicht in ihrer natürlichen Gebrauchsweise. Denn sie ist nicht da des Austausches wegen.“ (Aristoteles, „De Rep.“, 1.I, c. 9.)

Question 375 (Fri Oct 1–Mon Oct 4) Aristotle said that exchange-value is a second use-value of things. Marx apparently considers this a too narrow characterization, see Contribution, 283:1/o. Why?

2.2.b. [Use-Value Depends on Exchange-Value and Vice Versa]

↓ Marx has not yet specified how this “becoming” of the use-value in the exchange-process is achieved. A common-sense solution would be that the commodity producers simply barter their goods with each other. However Marx argues that direct barter is so contradictory that a different solution is needed. This is not the first time that Marx points out a real-life contradiction which may not be obvious to the practical agents. This time, it is especially unintuitive to argue that direct barter is plagued with prohibitive contradictions, because in simple situations, direct barter is clearly possible and often used. Since the result Marx is trying to derive is unintuitive, he is very thorough and formulates the contradictions of the exchange in three different ways. The contradictions which Marx is taking pains to point out make direct barter infeasible in any other than the simplest situations.

Since it is possible, in simple situations, to sneak through between the blades of this contradiction, one should not be surprised that Marx’s opening move in the argument is to get away from the individual situation and to generalize. Not only the weaver but also every other commodity producer enters the market with the intention to convert the use-value for others into something they themselves can use.

All commodities are non-use-values for their owners, and use-values for their non-owners.

Alle Waren sind Nicht-Gebrauchswerte für ihre Besitzer, Gebrauchswerte für ihre Nicht-Besitzer.

↑ Marx likes those inversions.

Question 376 (Fri Oct 1–Mon Oct 4) Give other examples of inversions in Marx’s Capital. 2008fa.

Consequently, they all must change hands.

Sie müssen also allseitig die Hände wechseln.

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↑ This itself is not yet contradictory. A transfer of products from producer to consumer must occur in every society that has division of labor. ↓ The contradiction lies in the social form through which this is achieved.

This change of hands is accomplished by their exchange. But the exchange places them in relation with each other as values and realizes them as values.

Aber dieser Händewechsel bildet ihren Austausch, und ihr Austausch bezieht sie als Werte aufeinander und realisiert sie als Werte.

"Is accomplished by" is a somewhat free translation of "bildet." I chose this translation because I believe that "dieser Händewechsel bildet ihren

Austausch" is a contracted version of what should strictly have been "dieser Händewechsel wird durch ihren Austausch gebildet." I also broke the sentence into two

and put the "but" at the beginning of the second sentence, because I think Marx wrote aber because of this second half.

↑ This last sentence begins with a "but" because we started from use-values "but" ended up with values. ↓ Marx summarizes this in the next sentence:

It follows that commodities must be realized as values before they can be realized as use-values.

Die Waren müssen sich daher als Werte realisieren, bevor sie sich als Gebrauchswerte realisieren können.

↑ This is a temporal condition for the surface process: in order to get the desired use-value, i.e., in order to benefit from the labor put into the commodity one has produced, one first has to realize the value of this commodity. And what are the conditions for the realization of my commodity as value? Two conditions: on the one hand, the labor going into my commodity must be socially necessary labor only, and on the other, the use-value I am producing must be needed by others. ↓ Marx formulates here only the second of these conditions, because this is the condition which leads us in a circle.

179:2 On the other hand, they must stand the test as use-values before they can be realized as values. For the labor expended on them only counts in so far as it is expended in a form which is useful for others.

100:2/o Anderseits müssen sie sich als Gebrauchswerte bewähren, bevor sie sich als Werte realisieren können. Denn die auf sie verausgabte menschliche Arbeit zählt nur, soweit sie in einer für andre nützlichen Form verausgabt ist.

↑ I.e., my commodity being useful for you is the condition for me being able to acquire your commodity through the exchange. ↓ In other words, we are in a circle in which the condition for the exchange of commodities is—the exchange of commodities already:

However, only their exchange can prove whether that labor is useful for others, i.e., whether its product satisfies the needs of others.

Ob sie anden nützlich, ihr Produkt daher fremde Bedürfnisse befriedigt, kann aber nur ihr Austausch beweisen.

↑ In *Contribution*, 284:1/o, Marx calls this "a defective circle of problems, in which the solution of one problem presupposes the solution of the other."

Question 378 (*Fri Oct 1–Mon Oct 4*) Is it true that exchange is the ultimate proof that a commodity is useful? What if the consumer who acquires the commodity in exchange takes it home and discovers that it is not useful after all? [2009fa](#), [2008SP](#), [2007fa](#).

2.2.c. [Contradiction Between Social and Individual Aspect]

We have arrived, once again, at an impasse situation: the selection of the use-values by the commodity consumer relies on the realization of the values they have produced, but this realization already presupposes the selection of use-values by other consumers, and so on ad infinitum. Before developing a solution, Marx shows that this impasse is even deeper than what we have seen so far. Not only do realization of value and selection of use-values pre-suppose each other in a circular way, they also contradict each other. Here is one pole of this contradiction:

180:1 The owner is willing to part with his commodity only in return for other commodities whose use-values satisfy his needs. To that extent, exchange is for him a purely individual process.

101:1 Jeder Warenbesitzer will seine Ware nur veräußern gegen andre Ware, deren Gebrauchswert sein Bedürfnis befriedigt. Sofern ist der Austausch für ihn nur individueller Prozeß.

↑ Regarding the commodity the market participant is acquiring, the exchange process is a purely individual process; the commodity owner does not have to consult with anyone and is not bound by any social constraints regarding the use-value he is selecting. ↓ Regarding the commodity he is giving in exchange, his expectation is that he will get a fair equivalent for it.

On the other hand, he wishes to realize his commodity as a value, i.e., in any other commodity of equal value which suits him, regardless of whether his own commodity has any use-value for the owner of the other commodity or not.

Andrerseits will er seine Ware als Wert realisieren, also in jeder ihm beliebigen andren Ware von demselben Wert, ob seine eigne Ware nun für den Besitzer der andren Ware Gebrauchswert habe oder nicht.

↑ But here is the hitch: he wants credit for his commodity according to its *value*, whether or not it has use-value for the recipient.

To that extent, exchange is for him a general social process.

Sofern ist der Austausch für ihn allgemein gesellschaftlicher Prozeß.

↓ These two requirements do not fit together. The second requirement can only be met if everyone has to accept any use-value in exchange for their own which has the same value as their own, therefore they are not free to choose which use-value they receive for their own commodity.

But the same process cannot be both: be exclusively individual for all owners of commodities, and at the same time be exclusively social and general.

Aber derselbe Prozeß kann nicht gleichzeitig für alle Warenbesitzer nur individuell und zugleich nur allgemein gesellschaftlich sein.

Question 379 (Fri Oct 1–Mon Oct 4) Which contradictions do commodity owners face if they want to barter their products (as opposed to buying and selling them)? Make up imaginary dialogs on the market place in which these contradictions are expressed. [2008SP](#), [2003fa](#), [2002fa](#), [1997ut](#), [1997WI](#), [1996sp](#), [1995ut](#), [1995WI](#).

This contradiction between the individual and the social dimension of the exchange process is a matter of our daily experience. We are confronted with this contradiction whenever we have to decide whether we want to buy exactly the use-value we want and pay premium price for it, or whether we prefer to make do with whatever is on sale.

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2.2.d. [More Specific Formulation of the Contradiction]

Through a “closer” look, Marx arrives at a more specific formulation of the contradiction—a formulation from which he will derive, in the next step, a solution for this contradiction:

180:2 Let us take a closer look. The owner of a commodity considers every other commodity as the Particular equivalent of his own commodity, which makes his own commodity the General equivalent of all other commodities.

101:2 Sehn wir näher zu, so gilt jedem Warenbesitzer jede fremde Ware als besondres Äquivalent seiner Ware, seine Ware daher als allgemeines Äquivalent aller andren Waren.

I translated the passive “*gilt*” with the active “considers” because the next sentence refers to it as an act.

Question 380 (*Fri Oct 1–Mon Oct 4*)

In 180:2, Marx writes: “The owner of a commodity considers every other commodity as the Particular equivalent of his own commodity, which makes his own commodity the General equivalent of all other commodities.” This automatic link between the Expanded form of value (whith its multiple Particular equivalents) and the General forms of value is in contradiction to section 3 of chapter One. In that earlier section, the General form of value did not immediately flow from the Expanded form, but a social act was necessary to establish it. Comment.

The commodity-owner expresses the value of his commodity in a large circle of use-values of other commodities. Applying the categories from section 3 in chapter One, see 155:2, his own commodity is in the Expanded relative form. These categories give Marx a bird’s eyes view of the multitude of individual activities and motivations.

An individual commodity producer’s wish that his or her commodity be in the Expanded relative form does not place the commodity into this form for society. His commodity can only then be in the Expanded relative form if everybody else consider it as the General equivalent (which is simply the Expanded form of value read backwards). Marx makes here exactly the same reversal as in 157:3. Unfortunately, it is impossible for the others to consider his commodity as the General equivalent:

But since every owner does the same thing, none of the commodities is General equivalent, and the commodities do not possess a General relative form of value in order to equate each other as values and compare the magnitudes of their values.

Da aber alle Warenbesitzer dasselbe tun, ist keine Ware allgemeines Äquivalent und besitzen die Waren daher auch keine allgemeine relative Wertform, worin sie sich als Werte gleichsetzen und als Wertgrößen vergleichen.

For every commodity producer, her own product is the point of reference, it is her treasure, whose value she wants to express in all other products. It is the “money” with which she wishes to buy the other commodities. But overall, there can only be one money in society. Therefore the points of view of different individuals—which by their nature do not spontaneously fit together but have to be adjusted to each other—cannot even be formulated in a common language that make such an adjustment possible. This is why Marx writes that in this situation, the commodities do not have a general *form of value*. ↓ Their confrontation on the market does not take a form which reflects the social fact that they are commodities. Therefore they do not even confront each other as commodities, but only as products or use-values.

Sie stehn sich daher überhaupt nicht gegenüber als Waren, sondern nur als Produkte oder Gebrauchswerte.

2.2. [Dilemmas of Barter]

↑ They *are* commodities, but they do not have an interactive relation with each other which does justice to this. Giving the objects a commodity form means providing a common social language in which the individuals can express, in a socially coherent manner, their individual attitudes towards the use-values and exchange-values of the things they are producing. Compare especially the above criterion (2) for a form of value. What individuals spontaneously try to do for their own benefit does not cohere into a social relation shared by all.

2.2.e. [The Deed]

The lack of social coordination in the more specific formulation of the contradiction gives a hint where the solution of this contradiction must be found. It cannot be resolved on an individual level but requires a social act. Society has a way out, even if the individuals do not. Society can designate a certain commodity as General equivalent. This gives the commodities a social form in which the inherent dilemmas of the commodity, though still present, are expressed in a coherent way equally for everyone. If the individuals view their connection to the social labor process no longer in a different and incoherent manner, they are able to align their activities with each other. The “preparatory act of circulation” necessary for this took place a long time ago:

180:3–181:1 In their dilemma our commodity-owners think like Faust: ‘In the beginning was the deed.’

101:3–4 In ihrer Verlegenheit denken unsre Warenbesitzer wie Faust. Im Anfang war die Tat.

↑ This is a reference to Goethe's *Faust*, Part I, Scene 3, Faust's Study.

Exam Question 381 Which “deed” is Marx referring to in the following passage: “*In their dilemma our commodity-owners think like Faust: ‘In the beginning was the deed.’ They have therefore already acted before thinking.*” 2009fa, 2008SP, 2007SP, 2004fa, 2003fa, 2000fa, 1999SP, 1997ut, 1997sp, 1997WI, 1996sp, 1995WI.

They have therefore already acted before thinking.

Sie haben daher schon gehandelt, bevor sie gedacht haben.

Implicit in Marx's formulation here is an important distinction:

- As individuals, humans first think and then act, and therefore act purposefully.
- As a society, they still act before they think.

The laws of the commodity nature come to fruition in the natural instinct of the commodity owners.

Die Gesetze der Warenatur betätigen sich im Naturinstinkt der Warenbesitzer.

↑ The word “natural instinct” is a pun: it is not an instinct which the commodity owners have *by* nature, but it is an instinct *for* the commodity nature which the commodity owners gain by their spontaneous market activity. The remainder of this paragraph, which is a nutshell summary of section 1.3, explain this process:

They can only relate their commodities to each other as values, and therefore as commodities, if they place them in a polar relationship with a third commodity that serves as the General equivalent. We concluded this from our analysis of the commodity.

Sie können ihre Waren nur als Werte und darum nur als Waren aufeinander beziehn, indem sie dieselben gegensätzlich auf irgendeine andre Ware als allgemeines Äquivalent beziehn. Das ergab die Analyse der Ware. Aber nur die gesellschaftliche Tat

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But only a social deed can turn one specific commodity into the General equivalent. The social action of all other commodities, therefore, excludes one specific commodity, in which all others represent their values. The natural form of this commodity thereby becomes the socially recognized equivalent form. Through the agency of the social process it becomes the specific social function of the excluded commodity to be the general equivalent. It thus becomes—money.

‘These have one mind, and shall give their power and strength unto the beast’ (Revelation 17:13). ‘And that no man might buy or sell, save that he had the mark, or the name of the beast, or the number of his name’ (Revelation 13:17).

kann eine bestimmte Ware zum allgemeinen Äquivalent machen. Die gesellschaftliche Aktion aller andren Waren schließt daher eine bestimmte Ware aus, worin sie allseitig ihre Werte darstellen. Dadurch wird die Naturalform dieser Ware gesellschaftlich gültige Äquivalentform. Allgemeines Äquivalent zu sein wird durch den gesellschaftlichen Prozeß zur spezifisch gesellschaftlichen Funktion der ausgeschlossenen Ware. So wird sie—Geld.

„Illi unum consilium habent et virtutem et potestatem suam bestiae tradunt. Et ne quis possit emere aut vendere, nisi qui habet characterem aut nomen bestiae, aut numerum nominis ejus.“ (Apokalypse.)

Question 382 (*Fri Oct 1–Mon Oct 4*) Why can commodity owners relate their commodities to each other as commodities only if they relate them to each other as values? Also explain what it means to “relate their commodities to each other as commodities” and “relate their commodities to each other as values.”

And indeed, there are no direct exchanges of commodities in modern markets. Everything is sold and purchased, only a tiny fraction of the goods are directly bartered. The form $C - M - C$, which replaces the direct barter, will be discussed in chapter Three. In 199:2, Marx will pick up the thread from here.

2.3. [Historical Development of the Commodity Form]

Since the resolution of the contradictions of commodity exchange requires a social deed, Marx looks now at the history of the commodity form in order to see when this deed happened. It turns out that this social deed was not a one-time act (so that commodity production first existed before this social deed and then after it), but that the commodity form gradually emerged along with commodity production itself.

181:2 The money crystal is a necessary product of the exchange process, in which different products of labor are in fact equated with each other, and thus are in fact converted into commodities.

↑ Marx does not say here “money is a necessary product of the exchange of commodities,” but he says that money is necessary product of the exchange of *products* which by this exchange are converted into commodities. I.e., the development of money and the development of commodity production go in parallel. ↓ Marx gives a very abstract argument why this must be so. The next sentence is parallel to 160:4:

The historical broadening and deepening of exchange develops the opposition between

101:5/o Der Geldkristall ist ein notwendiges Produkt des Austauschprozesses, worin verschiedenartige Arbeitsprodukte einander tatsächlich gleichgesetzt und daher tatsächlich in Waren verwandelt werden.

Die historische Ausweitung und Vertiefung des Austausches entwickelt den in der Wa-

2.3. [History of Commodity]

use-value and value dormant in the nature of the commodity. | rennatur schlummernden Gegensatz von Gebrauchswert und Wert.

Both translations (Moore-Aveling and Fowkes) say "latent" instead of "dormant." This is the epistemic fallacy. One does not become

invisible if one falls asleep.

↑ With the increasing variety of commodities on the market, the value and use-value of each commodity come more and more in contradiction with each other.

Question 383 (*Fri Oct 1–Mon Oct 4*) *How does the historical broadening and deepening of exchange develop the opposition between use-value and value dormant in the nature of the commodity?* [2008SP](#).

↓ In order to practically handle this contradiction, its two poles have to be spread over two different commodities: the ordinary commodity representing the use-value, and the money commodity representing the value.

The need to have an external representation of this opposition for the purposes of commercial intercourse generates the drive towards an independent form of value. It finds neither rest nor peace until this independent form has been achieved once and for all by the differentiation of commodities into commodities and money.

Das Bedürfnis, diesen Gegensatz für den Verkehr äußerlich darzustellen, treibt zu einer selbständigen Form des Warenwerts und ruht und rastet nicht, bis sie endgültig erzielt ist durch die Verdopplung der Ware in Ware und Geld.

Important connection between the external expression of the inner nature and the practical necessities of commerce. Since commodity production develops gradually, and with it its (initially dormant) inner contradictions, and since these contradictions, the more they are developed, require external expression, the development of commodity to money parallels the development of commodity production.

At the same rate, then, as the transformation of the products of labor into commodities is accomplished, one particular commodity is transformed into money.⁴⁰

In demselben Maße daher, worin sich die Verwandlung der Arbeitsprodukte in Waren, vollzieht sich die Verwandlung von Ware in Geld.⁴⁰

Marx's brief description of the history of commodity trade is not very difficult and will not be reproduced here. Please read it on pages 181:3–184:2. The following study questions refer to this text.

Question 386 (*Fri Oct 1–Mon Oct 4*) *Why is the occasional exchange of surplus products between tribes not an exchange of “commodities” but one of “products”?* [2008fa](#), [2008SP](#), [2005fa](#), [2000fa](#), [1998WI](#), [1997ut](#), [1997WI](#), [1996sp](#), [1995ut](#), [1995WI](#).

Question 389 (*Fri Oct 1–Mon Oct 4*) *What is the difference between the exchange of products and the exchange of commodities? Why does the exchange of products usually involve surplus-products, and why does it first take place between members of different communities?* [2008SP](#), [1995ut](#), [1995WI](#).

Question 393 (*Fri Oct 1–Mon Oct 4*) *Why could the idea to use land as money arise only when capitalism was already developed?* [2008SP](#), [1998WI](#), [1996sp](#), [1995WI](#).

2. Exchange Process

Question 394 (*Fri Oct 1–Mon Oct 4*) *One important property of gold is also that it does not deteriorate over time, it does not rust etc. Is this a reflection of the fact that value itself does not deteriorate over time?* [2008SP](#).

Question 395 (*Fri Oct 1–Mon Oct 4*) *Explain in your own words the meaning of Marx's statement: "Although gold and silver are not by nature money, money is by nature gold and silver."* [2008SP](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [1997ut](#), [1997sp](#), [1997WI](#), [1996sp](#), [1995ut](#), [1995WI](#).

Question 396 (*Fri Oct 1–Mon Oct 4*) *In a modern society, would use-values other than gold be possible candidates for a money commodity?*

Question 397 (*Fri Oct 1–Mon Oct 4*) *Shouldn't the explanation why gold is the money commodity be in chapter Three instead of chapter Two?*

Question 398 (*Fri Oct 1–Mon Oct 4*) *Is there also a congruence between the properties of gold and the other functions of money discussed in chapter Three?*

2.4. [Ideologies of Money and its Fetish-Like Character]

The last three paragraphs of chapter Two form a unit, whose secret organizing principle is a discussion of quality, quantity, and form.

Marx discusses here some misconceptions about money, documenting the wrong and right things written about them, their causes, and their kernels of truth. These are good examples of immanent critique.

The first misconception is the notion that money itself does not have value but its value comes from social agreement. As in some other instances, Marx does not give indication to the reader that this is the problematic which he is going to discuss, but simply plunges into the discussion. On the other hand, Marx converses with the reader in such a way as if the reader knew which question was being answered.

184:3/oo We have seen that the Money form is only the reflection, attached to one particular commodity, of the relationships of all other commodities.

105:1/o Man hat gesehn, daß die Geldform nur der an einer Ware festhaftende Reflex der Beziehungen aller andren Waren.

Marx means here the Money form of value discussed in subsection 1.3.D, not the money form or the price of a commodity. A commodity becomes money by the joint action of all other commodities, by a social agreement which decides that every commodity should express its value in that specific commodity.

Why is there an “only” in Marx’s sentence which we are presently discussing? Because the question Marx is addressing here (without explicitly announcing it to the reader) is: to what extent is the function of money based on a social agreement? Marx concedes that yes, a social agreement is involved, but this social agreement does not say, let’s all act as if the thing that circulates as money had a value. Rather, this social agreement *only* consists in the selection of a specific kind of commodity to which a form of value is to be permanently attached namely, the form of General equivalent. In principle, any commodity can have this form, but by its nature, this form needs to become the specialty of one specific commodity.

162:5/o is important here; this is the bridge to the next sentence following below. (Marx is acutely aware of what can and what cannot be decided by social agreement. It cannot be decided by a social agreement that everyone should accept an intrinsically valueless money in exchange for their valuable commodities. These kinds of decision must remain based on competition. But it can be decided by social agreement which use-value everyone uses as general equivalent.)

Since commodities can express their values only in something that has value itself (because only in this way can the other commodities say that they have as much value as this thing there), Marx continues:

That money is a commodity⁴⁵ is therefore a discovery only for those who proceed from its finished shape in order to analyze it afterwards.

Daß Geld Ware ist,⁴⁵ ist also nur eine Entdeckung für den, der von seiner fertigen Gestalt ausgeht, um sie hinterher zu analysieren.

The Moore-Aveling translation omits the “*fertig*.”

In other words, only those people are surprised that money is a commodity who ask: “What is money?” Marx asks instead: “How can commodities express their values?” In the analysis tracing the development of money it is clear from the beginning that money must be a commodity.

⁴⁵ ‘Silver and gold themselves, which we may call by the general name of Bullion, are … commodities … rising and falling in … value … Bullion then may be reckoned to be of higher value, where the smaller weight will purchase the greater quantity of the product or manufacture of the country etc.’ (S. Clement, *A Discourse of the General Notions of Money, Trade, and Exchange, as They Stand in Relations to Each Other. By a Merchant*, London 1695, p. 7). ‘Silver and gold, coined or uncoined, tho’ they are used for a measure of all other things, are no less a commodity than wine, oyl, tobacco cloth or stuffs’ (J. Child, *A Discourse Concerning Trade, and That in Particular of the East-Indies etc.*, London, 1689, p. 2). ‘The stock and riches of the kingdom cannot properly be confined to money, nor ought gold and silver to be excluded from being merchandize’ (T. Papillon, *The East-India Trade a Most Profitable Trade*, London, 1677, p. 4).

⁴⁵ „Silber und Gold an sich, die wir mit dem allgemeinen Namen Edelmetall bezeichnen können, sind im … Werte … steigende und fallende … Waren … Dem Edelmetall kann man dann einen höheren Wert zuerkennen, wenn ein geringeres Gewicht davon eine größere Menge des Produkts oder Fabrikats des Landes etc. kauft.“ ([S. Clement.] „A Discourse of the General Notions of Money, Trade, and Exchange, as they stand in relations to each other. By a Merchant“, Lond. 1695, p. 7.) „Silber und Gold, gemünzt oder ungemünzt, werden zwar als Maßstab für alle anderen Dinge gebraucht, sind aber nicht weniger eine Ware als Wein, Öl, Tabak, Tuch oder Stoffe.“ ([J. Child.] „A Discourse concerning Trade, and that in particular of the East Indies etc.“, London 1689, p. 2.) Vermögen und Reichtum des Königreiches können genau genommen nicht auf Geld beschränkt, noch können Gold und Silber als Waren ausgeschlossen werden. ([Th. Papillon.] „The East India Trade a most Profitable Trade“, London 1677, p. 4.)

First misconception: the value of money is imaginary. This misconception arises because gold gets its specific form of value from a different place than where it gets its value.

The exchange process gives to the commodity which it has designated as money not its value but its specific value form.

Der Austauschprozeß gibt der Ware, die er in Geld verwandelt, nicht ihren Wert, sondern ihre spezifische Wertform.

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Moore-Aveling says: “The act of exchange gives to the commodity converted into money, not its value but its specific value form.” This misleads the reader into thinking

that Marx talks about the exchange of commodities for money. Fowkes has it better: “The process of exchange gives to the commodity which it has converted

into money not its value but its specific form of value.” Even this is understandable, therefore I wrote “which it has designated as money.”

Exam Question 401 Marx writes: “*The exchange process gives the commodity which it has designated as money not its value, but its specific form of value.*” Which form of value does Marx mean here? Why does Marx call this form the specific form of value of the money commodity? (Assume we are under the gold standard.) 2009fa, 2008SP, 2007SP, 2004fa, 2003fa, 2002fa, 1999SP, 1998WI, 1997ut, 1997WI, 1996sp, 1995WI.

Through the exchange process, one commodity is selected as the General equivalent. This selection process does not give the General equivalent its value but gives it a “specific” form of value, i.e., a form of value which, from then on, will be associated with that use-value alone.

Confusion between these two attributes has misled some writers into maintaining that the value of gold and silver is imaginary.⁴⁶

In the footnote, Galiani got it right, Locke was wrong, and Law gave a correct criticism of Locke but he himself did not get it entirely right either:

⁴⁶ ‘Gold and silver have value as metals before they are money’ Galiani, [Gal03, p. 72]. Locke says, ‘The universal consent of mankind gave to silver, on account of its qualities which made it suitable for money, an imaginary value’ [John Locke, [Loc77, p. 15].] Law retorts ‘How could different nations give an imaginary value to any single thing . . . or how could this imaginary value have maintained itself?’ But he himself understood very little of the matter, for example ‘Silver was exchanged in proportion to the use-value it possessed, consequently in proportion to its real value. By its adoption as money it received an additional value (une valeur additionnelle)’. Jean Law, [Law43, pp. 469–70].

Die Verwechslung beider Bestimmungen verleitete dazu, den Wert von Gold und Silber für imaginär zu halten.⁴⁶

⁴⁶ „Gold und Silber haben Wert als Metalle, bevor sie Geld sind.“ Galiani, [Gal03, p. 72]. Locke sagt: „Die allgemeine Übereinstimmung der Menschen legte dem Silber, wegen seiner Qualitäten, die es zum Geld geeignet machen, einen imaginären Wert bei.“ [John Locke, [Loc77, p. 15].] Dagegen Law: „Wie könnten verschiedene Nationen irgendeiner Sache einen imaginären Wert geben . . . oder wie hätte sich dieser imaginäre Wert erhalten können?“ Wie wenig er selbst aber von der Sache verstand: „Das Silber tauschte sich aus nach dem Gebrauchswert, den es hatte, also nach seinem wirklichen Wert; durch seine Bestimmung als Geld erhielt es einen zusätzlichen Wert (une valeur additionnelle).“ Jean Law, [Law43, p. 469, 470].

It cannot be decided by a social agreement how much value a commodity has, but it can be decided by social agreement which use-value everyone uses as general equivalent.

Second misconception: Money is merely a symbol. Again Marx takes pains to explain how this misconception could arise.

The fact that money can, in certain functions, be replaced by mere symbols of itself, gave rise to another mistaken notion, that it is itself a mere symbol.

A wedding ring is a symbol: it symbolizes a relation which exists independently of it. Gold coin, on the other hand, does not symbolize value, it is value.

Nevertheless, this error did contain the hunch that the money-form of the thing is

Weil Geld in bestimmten Funktionen durch bloße Zeichen seiner selbst ersetzt werden kann, entsprang der andre Irrtum, es sei ein bloßes Zeichen.

Andrerseits lag darin die Ahnung, daß die Geldform des Dings ihm selbst äußerlich

external to the thing itself, being simply the form of appearance of human relations hidden behind it. In this sense every commodity is a symbol, since, as value, it is only the material shell of the human labor expended on it.⁴⁷

Money is not a symbol. It is true that money is only the materialized form of a social relation; but this does not license us to forget that this social relation has a materialized form.

Imagine you are standing in a boat in New York Harbor close to the Statue of Liberty and just making some photos of it when it creaks, and a big part of the statue crashes into the water barely missing you. You cannot argue: the collapse of the statue could not have hurt you, because the statue is only the symbolic expression of one of the principles on which our government is based. Yes it is the expression of an idea, but the near-miss is a reminder that it is a very material expression of that idea.

The footnote starts with a few quotes: from wrong (Forbonnais, Montesquieu) to right (Le Trosne) to lucid (Hegel):

⁴⁷ ‘Money is their (the commodities’) symbol’ (V. de Forbonnais, *Éléments du commerce*, new edn, Leyden, 1776, Vol. 2, p. 143). ‘As a symbol it is attracted by the commodities’ (*ibid.* p. 155). ‘Money is a symbol of a thing and represents it’ (Montesquieu, [Mon69], p. 3, vol. 2]). ‘Money is not a mere symbol, for it is itself wealth; it does not represent the values, it is their equivalent’ (Le Trosne, [LT46], p. 910]). ‘If we consider the concept of value, we must look on the thing itself only as a symbol; it counts not as itself, but as what it is worth’ (Hegel, [Heg40], p. 100)).

In the rest of the footnote, Marx describes historical situations in which this false theory was a handy excuse for the enrichment of the king. This part of the footnote is not reproduced here.

Third misconception: Money is an arbitrary product of human reflection.

By declaring that the social characteristics which material objects obtain on the basis of a specific mode of production, or that the material characteristics which the social determinations of labor obtain, are mere symbols, one declares them at the same time to be deliberate products of human reflection. This was the kind of explanation favored by the eighteenth century: in this way the Enlightenment endeavoured, at least for the time being, to remove the semblance of strangeness from the mysterious shapes assumed by human relations whose origins one was as yet unable to decipher.

und bloße Erscheinungsform dahinter versteckter menschlicher Verhältnisse. In diesem Sinn wäre jede Ware ein Zeichen, weil als Wert nur sachliche Hülle der auf sie verausgabten menschlichen Arbeit.⁴⁷

⁴⁷ „Das Geld ist ihr“ (der Waren) „Zeichen.“ (V. de Forbonnais, „*Éléments du Commerce*“, Nouv. Édit. Leyde 1766, t. II, p. 143.) „Als Zeichen wird es von den Waren angezogen.“ (l.c. p. 155.) „Das Geld ist Zeichen für eine Sache und vertritt sie.“ Montesquieu, [Mon69], p. 3, t. II]. „Das Geld ist nicht bloßes Zeichen, denn es ist selbst Reichtum; es vertritt nicht die Werte, es ist ihr Äquivalent.“ Le Trosne, [LT46], p. 910]. „Betrachtet man den Begriff des Werts, so wird die Sache selbst nur als ein Zeichen angesehn, und sie gilt nicht als sie selber, sondern als was sie wert ist.“ Hegel [Heg40], p. 100].

Indem man aber die gesellschaftlichen Charaktere, welche Sachen, oder die sachlichen Charaktere, welche gesellschaftliche Bestimmungen der Arbeit auf Grundlage einer bestimmten Produktionsweise erhalten, für bloße Zeichen, erklärt man sie zugleich für willkürliches Reflexionsprodukt der Menschen. Es war dies beliebte Aufklärungsmanier des 18. Jahrhunderts, um den rätselhaften Gestalten menschlicher Verhältnisse, deren Entstehungsprozeß man noch nicht entziffern konnte, wenigstens vorläufig den Schein der Fremdheit abzustreifen.

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The error of declaring social relations as arbitrary products of human reflection is called “voluntarism.” The effect of this explanation is that the relations no longer seem unfamiliar—at least initially, until one has noticed that this explanation is not satisfactory.

After quality of value, the second of the three concluding paragraphs of chapter Two discusses the quantity. First: how does the quantity of value of money express itself in circulation? Marx ties here into 147:3/o.

186:1 It has already been remarked earlier that the equivalent form of a commodity does not include a determination of the magnitude of its value. Therefore, even if we know that gold is money, and consequently directly exchangeable with all other commodities, this still does not tell us how much 10 lb. of gold is worth. Money, like every other commodity, can express the magnitude of its value only relatively, in other commodities. Its value is determined by the labor-time required for its production, and is expressed in the quantity of every other commodity in which the same amount of labor-time is congealed.⁴⁸ Its relative value is therefore established at the source of its production, where it is engaged in immediate barter. As soon as it enters into circulation as money, its value is already given.

Therefore one does not see how the price level is determined. Marx could bring lots of quotes here about the quantity theory of money. Instead he only brings the quote of someone who sees it right:

⁴⁸ ‘If a man can bring to London an ounce of silver out of the Earth of Peru, in the same time that he can produce a bushel of corn, then the one is the natural price of the other: now, if by reason of new or more easie mines a man can procure two ounces of silver as easily as he formerly did one, the corn will be as cheap at ten shillings the bushel as it was before at five shillings, caeteris paribus’ William Petty [Pet67, p. 31].

All previous misconceptions could be cleared up by emphasizing that money is a commodity. But this is not enough to understand money. An additional misconception about money, the fourth, is the failure to identify that what distinguishes money from the other commodities.

In the last decades of the seventeenth century the first step in the analysis of money, the discovery that money is a commodity, had long been taken; but this was merely

106:1/o Es ward vorhin bemerkt, daß die Äquivalentform einer Ware die quantitative Bestimmung ihrer Wertgröße nicht einschließt. Weiß man, daß Gold Geld, daher mit allen andren Waren unmittelbar austauschbar ist, so weiß man deswegen nicht, wieviel z.B. 10 Pfund Gold wert sind. Wie jede Ware kann das Geld seine eigene Wertgröße nur relativ in andren Waren ausdrücken. Sein eigner Wert ist bestimmt durch die zu seiner Produktion erheischte Arbeitszeit und drückt sich in dem Quantum jeder andren Ware aus, worin gleichviel Arbeitszeit geronnen ist.⁴⁸ Diese Festsetzung seiner relativen Wertgröße findet statt an seiner Produktionsquelle in unmittelbarem Tauschhandel. Sobald es als Geld in die Zirkulation eintritt, ist sein Wert bereits gegeben.

⁴⁸ „Wenn jemand eine Unze Silber aus dem Innern der Erde Perus in derselben Zeit nach London bringen kann, die er zur Produktion eines Bushel Korn brauchen würde, dann ist das eine der natürliche Preis des anderen; wenn er nun durch Abbau neuer und ergiebiger Bergwerke statt der einen zwei Unzen Silber mit dem gleichen Aufwand gewinnen kann, wird das Korn bei einem Preis von 10 Shilling pro Bushel ebenso billig sein wie vorher bei einem Preis von 5 Shilling, caeteris paribus“ William Petty [Pet67, p. 31].

Wenn es schon in den letzten Dezennien des 17. Jahrhunderts weit überschrittner Anfang der Geldanalyse, zu wissen, daß Geld Ware ist, so aber auch nur der Anfang. Die

the first step, and nothing more. The difficulty lies not in comprehending that money is a commodity, but in discovering how, why and through what a commodity is money.⁴⁹

Fowkes's translation: "how, why and by what means a commodity becomes money" misses the whole point: the emphasis is not that it

Schwierigkeit liegt nicht darin zu begreifen, daß Geld Ware, sondern wie, warum, wodurch Ware Geld ist.⁴⁹

becomes money but that it already is money. Also the word "means" is misleading, since a commodity does not need an (external) means

to become money, but it has inner money traits.

This echoes Marx's emphasis on the genesis of money out of the commodity in 139:1.

Question 403 (*Fri Oct 1–Mon Oct 4*) *How, why, and through what is a commodity already money, as Marx says in 186:1?* 2008SP, 2007SP, 1999SP, 1995ut.

⁴⁹ The learned Professor Roscher, after first informing us that 'the false definitions of money may be divided into two main groups: those which make it more, and those which make it less, than a commodity', gives us a motley catalogue of works on the nature of money, which does not provide even the glimmer of an insight into the real history of the theory. He then draws this moral: 'For the rest, it is not to be denied that most of the later economists do not bear sufficiently in mind the peculiarities that distinguish money from other commodities' (it is then, after all, either more or less than a commodity!) ... 'So far, the semi-mercantilist reaction of Ganilh is not altogether without foundation' (Wilhelm Roscher, *Die Grundlagen der Nationalökonomie*, 3rd edn, 1858, pp. 207–10). More! Less! Not sufficiently! So far! Not altogether! What a way of determining one's concepts! And this eclectic professorial twaddle is modestly baptized by Herr Roscher 'the anatomico-physiological method' of political economy! However, he does deserve credit for one discovery, namely, that money is 'a pleasant commodity'.

⁴⁹ Nachdem Herr Professor Roscher uns lehrt: „Die falschen Definitionen von Geld lassen sich in zwei Hauptgruppen teilen: solche, die es für mehr, und solche, die es für weniger halten als eine Ware“, folgt ein kunterbunter Katalog von Schriften über das Geldwesen, wodurch auch nicht die entfernteste Einsicht in die wirkliche Geschichte der Theorie durchschimmert, und dann die Moral: „Zu leugnen ist übrigens nicht, daß die meisten neueren Nationalökonomen die Eigentümlichkeiten, welche das Geld von andren Waren unterscheiden“ (also doch mehr oder weniger als Ware?), „nicht genug im Auge behalten haben ... Insofern ist die halberkantilistische Reaktion von Ganilh etc. nicht ganz unbegründet.“ Wilhelm Roscher [Ros58, p. 297–210]. Mehr—weniger—nicht genug—insofern—nicht ganz! Welche Begriffsbestimmungen! Und dergleichen eklektische Professoralselei tauft Herr Roscher bescheiden „die anatomico-physiologische Methode“ der politischen Ökonomie! Eine Entdeckung ist ihm jedoch geschuldet, nämlich, daß Geld „eine angenehme Ware“ ist.

Question 404 (*Fri Oct 1–Mon Oct 4*) *Was Roscher in error when he said that money is a pleasant commodity?* 2008SP, 2005fa, 2003fa, 1997ut, 1997sp, 1995WI.

Question 405 (*Fri Oct 1–Mon Oct 4*) *List and briefly discuss all those theories of money which Marx mentioned on pages p – 186:1 and about which he said they were incorrect.* 2008SP, 2003fa, 1998WI.

The third paragraph covers the form of value, especially the equivalent form:

187:1 We have already seen, from the simplest expression of value, x commodity $A = y$ commodity B , that the thing in which

107:1/o Wir sahen, wie schon in dem einfachsten Wertausdruck, x Ware $A = y$ Ware B , das Ding, worin die Wertgröße eines

2. Exchange Process

the magnitude of the value of another thing is represented seems to have the equivalent form independently of this relation, as a social property which it possesses by nature. We followed the process by which this false semblance solidified itself.

Fowkes's "We followed the process by which this false semblance became firmly established" sounds as if the process was the one that more and more people believed in this false

andren Dings dargestellt wird, seine Äquivalentform unabhängig von dieser Beziehung als gesellschaftliche Natureigenschaft zu besitzen scheint. Wir verfolgten die Festigung dieses falschen Scheins.

semblance. This is a misunderstanding of the text. Moore-Aveling have: "We followed up this false appearance to its final establishment." This leads the possibility open, which I

consider to be the right interpretation, that Marx does not mean the establishment in the minds of the observers, but the establishment as a reality.

It is as if not only the observer but the world itself was misled, and therefore the world allowed this false semblance to become reality.

Now the next pronoun, "*Er*," should strictly be "*Sie*":

This process was completed when the universal equivalent form became identified with the natural form of a particular commodity, and thus crystallized into the money-form. Although a particular commodity only becomes money because all other commodities express their values in it, it seems, on the contrary, that all other commodities universally express their values in a particular commodity because it is money. The movement which mediated this process vanishes in its own result, leaving no trace behind. Without having to do anything to achieve it, the commodities find the form of their own value, in its finished shape, in the body of a commodity existing outside and alongside them.

Marx is talking here about the fetish-like character of money. Money is so mysterious because the mediating movement has vanished and has left no trace in the result.

This physical object, gold or silver in its crude state, becomes, as soon as it emerges from the bowels of the earth, the immediate incarnation of all human labor. Hence the magic of money. The merely atomistic behavior of men in their social process of production, and hence the fact that their own relations of production take on an objectified form which is beyond their control and independent of their conscious individual striving, manifest themselves at first in the fact

Er ist vollendet, sobald die allgemeine Äquivalentform mit der Naturalform einer besondren Warenart verwachsen oder zur Geldform kristallisiert ist. Eine Ware scheint nicht erst Geld zu werden, weil die andren Waren allseitig ihre Werte in ihr darstellen, sondern sie scheinen umgekehrt allgemein ihre Werte in ihr darzustellen, weil sie Geld ist. Die vermittelnde Bewegung verschwindet in ihrem eignen Resultat und läßt keine Spur zurück. Ohne ihr Zutun finden die Waren ihre eigne Wertgestalt fertig vor als einen außer und neben ihnen existierenden Warenkörper.

Diese Dinge, Gold und Silber, wie sie aus den Eingewinden der Erde herauskommen, sind zugleich die unmittelbare Inkarnation aller menschlichen Arbeit. Daher die Magie des Geldes. Das bloß atomistische Verhalten der Menschen in ihrem gesellschaftlichen Produktionsprozeß und daher die von ihrer Kontrolle und ihrem bewußten individuellen Tun unabhängige, sachliche Gestalt ihrer eignen Produktionsverhältnisse erscheinen zunächst darin, daß ihre Arbeits-

that the products of labor generally take the form of commodities. The riddle of the money fetish is therefore merely the riddle of the commodity fetish, has become visible and blinding the eyes.

The German says “*Verhalten*,” not “*Verhältnis*,” which can either mean “behavior” or also “way of relating”; Moore-Aveling translate it with “behavior;” while Fowkes writes “are related.” I considered “die sachliche Gestalt

produkte allgemein die Form der Ware annehmen. Das Rätsel des Geldfetischs ist daher nur das sichtbar gewordne, die Augen blendende Rätsel des Warenfetischs.

ihrer Produktionsverhältnisse” (literally: objectified form of their own relations of production) to be an abbreviated formulation for: “die Tatsache daß die Produktionsverhältnisse eine sachliche Gestalt annehmen” (the

fact that their own relations of production take on an objectified form), rather than that form itself.

Instead of “dazzling” I translated “*blendend*” with “blinding,” since it does make blind.

Again, as in section 1.4.b, Marx looks for the roots of this fetish-like character in the direct relations of the producers. This is a remarkable passage, because Marx is here quite critical of these producers. He says here quite explicitly that “the merely atomistic behavior of men in their social process of production” is not a consequence of but in some way prior to the commodity form. Marx seems to blame the fetish-like character of the commodity on the atomistic behavior of the individual producers. However, in the French edition, this criticism of the individual producers is omitted again. In French, the last sentence of chapter Two is: “Hence the magic of money.” The two long sentences after this are missing.

Question 408 (*Fri Oct 1–Mon Oct 4*) *Are people, by their atomistic attitude towards each other, responsible for their lack of control over their own social relations?* [2008SP](#), [1996sp](#).

3. Money or the Circulation of Commodities

Why is the topic of this chapter described as money *or* the circulation of commodities? Aren't these two different things? Yes, but they are closely related. Marx calls money the "crystallization" of the form changes of the commodities in circulation. To understand this, remember that the form change has two phases. The commodity that has been produced must realize its value and turn into a use-value that is useful for its producer. I.e., from its original use-value form it has to go into its value-form and then into its final use-value form. But its value form consists in it being exchanged for money. This is why one can say that money is the crystallization of the commodity's value form. In *Contribution*, 323:1, he writes:

In the process establishing prices, the commodities acquire the form in which they are able to circulate, and gold acquires its monetary character. After this has been accomplished, circulation will at the same time express and resolve the contradictions contained in the exchange process of commodities. The actual exchange of commodities, i.e., the process of social metabolism, takes place through a form change in which the dual nature of the commodity as a use-value and exchange-value unfolds itself, but where at the same time its own form change crystallizes itself in the various determinate forms of money.

Just as a solid dissolved into a liquid under certain circumstances precipitates in the form of crystals, the transitional phase in the form change of a commodity crystallizes out in the form of money. Elsewhere in *Contribution*, p. 393:1–396:0, Marx uses the formulation

393:1–396:0 The processing movement of commodities, which springs from the contradiction of exchange-value and use-value contained in them, which is reflected in the circulation of money, and which is crystallized in the various form determinations of money, ...

And here is a very similar quote from 292:2:

292:2 As they develop, the interrelations of commodities crystallize into distinct aspects of the general equivalent, and thus the exchange process becomes at the same time

Nachdem die Ware im Prozeß der Preisgebung ihre zirkulationsfähige Form und das Gold seinen Geldcharakter erhalten hat, wird die Zirkulation die Widersprüche, die der Austauschprozeß der Waren einschloß, zugleich darstellen und lösen. Der wirkliche Austausch der Waren, d.h. der gesellschaftliche Stoffwechsel, geht vor in einem Formwechsel, worin sich die Doppelnatür der Ware als Gebrauchswert und Tauschwert entfaltet, ihr eigener Formwechsel sich aber zugleich in bestimmten Formen des Geldes kristallisiert.

137:1–140:0 Die prozessierende Bewegung der Waren, die aus dem in ihnen enthaltenen Gegensatz von Tauschwert und Gebrauchswert entspringt, in dem Umlauf des Geldes erscheint und in den verschiedenen Formbestimmtheiten des letztern sich kristallisiert, ...

37:2 Die prozessierenden Beziehungen der Waren aufeinander kristallisieren sich als unterschiedene Bestimmungen des allgemeinen Äquivalents, und so ist der Aus-

3.1. Measure of Value

the process of formation of money. This process as a whole, which comprises the carrying out of several processes, constitutes *circulation*.

Here is a different, unrelated, remark, before going into the chapter itself. Money is for Marx the complex of several things. There is not one property which makes something money, but money is the combination of two distinct (though related) things: measure of value and means of circulation. In order to delineate the scope of chapter Three, it should be noted that drawing interest etc. are *not* functions of money but functions of *capital*. Again, *Contribution* is helpful here, look at 303:2:

The main difficulty in the analysis of money is overcome as soon as one has grasped its origin out of the commodity itself. Once this is accomplished, the only task remaining is to comprehend the peculiar determinations of its form without alien admixtures, which is not very easy, because all bourgeois relations appear gilded, i.e., as money relations, and the money form, therefore, seems to possess an infinitely varied content, which is alien to the money form as such.

tauschprozeß zugleich Bildungsprozeß des Geldes. Das Ganze dieses Prozesses, der sich als ein Verlauf verschiedener Prozesse darstellt, ist die *Zirkulation*.

Die Hauptschwierigkeit in der Analyse des Geldes ist überwunden, sobald sein Ursprung aus der Ware selbst begriffen ist. Unter dieser Voraussetzung handelt es sich nur noch darum, seine eigentümlichen Formbestimmtheiten rein aufzufassen, was einigermaßen erschwert wird, weil alle bürgerlichen Verhältnisse vergoldet oder versilbert, als Geldverhältnisse erscheinen, und die Geldform daher einen unendlich manigfaltigen Inhalt zu besitzen scheint, der ihr selbst fremd ist.

3.1. Measure of Value

Chapter One, section 1.3, derived money as the culmination of a long development, from the Simple to the Expanded to the General form, and finally to the Money form of value. Now this same Money form is the starting point for a new development, in which various functions of money are derived. This is a new beginning, not the continuation of the earlier development. This new beginning has become possible because of the special nature of the step from the General equivalent form to the Money form. In 162:3, Marx stresses that this step no longer represents a development of the form of value itself, but it means that “by social custom” a certain form of value coalesces with a certain use-value. Such a merging of several determinations is what Marx calls something “concrete”:

The concrete is concrete because it is the meeting point of many determinations, thus a unity of the diverse. *Grundrisse*, 101p.

The Money form of the commodity is the meeting point of *two* determinations: a certain use-value (gold) and a certain form of value (General equivalent). Once these two disparate things are reliably conjoined, so that the same use-value, gold, always occupies the role of General equivalent, new possibilities are opened up and new developments are set in motion. The economic determinations of money therefore greatly exceed those of a General equivalent. Chapter Three develops the further determinations flowing from this synthesis.

Section 1 of chapter Three moves back and forth several times between the relative form of value and the equivalent form. After one side has reached a certain stage of development, also the other side is developed further. This is a common *research* procedure: one first understands one thing better, then this throws light on a related thing, then that throws light

3. Money or the Circulation of Commodities

on the first thing again, and so it goes back and forth. However here it is meant as an social process: since the General equivalent has by a social convention become fixed on gold, new social functions accrue to it due to the creative practical activity of the individuals involved. These new social functions modify the relative General form of value, then this acts back on the equivalent form, and so on.

Here is a summary of this back-and-forth:

- (0) The final transition in section 1.3 of chapter One, p. 162:1, was the concerted act by which the “ordinary” commodities always select the same commodity, gold, as General equivalent. This is an activity emanating from the relative form of value.
- (1) On the equivalent form this has the effect that gold becomes the *measure of values*.
- (2) The development of the equivalent into measure of value acts back on the relative form, which becomes the *Price form*. The price becomes a “natural” attribute of the commodity.

From the Price form, Marx identifies two causal influences back on the equivalent form:

- (3a) For its function as measure of value, gold need not be physically present. Only its quality, not the quantity counts.
- (3b) Since different commodities relate through their prices not only to gold but also *to each other*, a certain quantity of gold must be socially fixed as *standard of prices*. (Then Marx discusses the confusion between measure of value and standard of prices.)
- (4) The standard of prices (which is a development of the equivalent form) turns prices into mere numbers, the “*money names*.”
- (5) The abstractness of the money names (the money name of a commodity is a version of its relative form of value) also causes the equivalent form to become abstract and turns it into *money of account*.

Money of account, the most abstract form of the General equivalent, is the climax of the repeated back-and-forth motion in this section. After this, Marx makes one more cycle, which no longer develops the form but goes over to something new. The transition from the equivalent form to the relative form is again twofold

- (6a) Although it is the surface representation of the quantity of value, the relative form of value is also subject to influences that have nothing to do with value but with demand and supply. This is not a defect but it is necessary to ensure that those things are produced which are needed.
- (6b) The general function of money as measure of value of all commodities leads to it that also other things, which are not commodities, are measured in money.

These two transitions discuss therefore the quantitative and qualitative discrepancies between price and value.

- (7) The general acceptance of money as measure of value also leads to it that money itself must enter the circulation process.

This final step is the transition to section 2, Means of Circulation.

3.1.a. [First Function of Gold: Measure of Value]

After this overview let us discuss section 3.1 paragraph by paragraph.

188:1 Throughout this work I assume, for the sake of simplicity, that gold is the money-commodity.

109:1 Ich setze überall in dieser Schrift, der Vereinfachung halber, Gold als die Geldware voraus.

Chapter Two, starting with 183:1, explains why the money form attaches itself to one of the noble metals. In order to simplify the discussion, Marx disregards the fact that during his time not one but two commodities, gold and silver, served as international money. Paragraph 190:1 below, and footnote 108 to paragraph 241:1 in the subsection 3.3.c about World Money discuss this “bimetallism.”

The next paragraph picks up the thread from section 1.3 of chapter One. At the end of that section, the commodities, by their joint action, turn gold into money. As the formulation in 162:1 makes very clear, this is an act on the part of the relative value form. As step (1) in his series of back-and-forth steps, Marx asks: what does this mean for the equivalent form? It means that the money commodity becomes “measure of value.” *Contribution*, 304:1/o, formulates it as follows:

Since all commodities measure their exchange values in gold, in the proportion, in which a given amount of gold and a given amount of commodity contain equal amounts of labor-time, Gold becomes the *measure of value*.

Weil alle Waren ihre Tauschwerte in Gold messen, in dem Verhältnis, worin bestimmte Quantität Gold und bestimmte Quantität Ware gleich viel Arbeitszeit enthalten, wird das Gold zum *Maß der Werte*, ...

Here is the formulation in *Capital*:

188:2 The first function of gold is: to provide the world of commodities with the material in which they can express their values, or: to represent the values of the commodities as magnitudes of the same denomination, qualitatively equal and quantitatively comparable.

109:2 Die erste Funktion des Goldes besteht darin, der Warenwelt das Material ihres Wertausdrucks zu liefern oder die Warenwerte als gleichnamige Größen, qualitativ gleiche und quantitativ vergleichbare, darzustellen.

The Moore-Aveling translation says “first function of money” where the German says “first function of gold.” Fowkes says “gold.” I think “gold” is better. Marx is not yet talking about money but about the noble metal which has monopolized the role of General equivalent and through this *becomes* money. Until section 3.2 of chapter Three, only the becoming of money is discussed.

In those parts of section 1.3 of chapter One which discuss the money form (pp. 162:1–163:2) Marx never says: “Gold is money,” but always uses formulations such as: “Gold becomes the money commodity,” or “functions as money,” “gold faces the other commodities as money.” Also the presently discussed passage at the beginning of chapter Three, section 3.1 (p. 188:2) reads: “gold

... become(s) money.” It is not until section 3.3 of chapter Three that Marx indicates that this becoming of money has been completed: “The commodity which functions as measure of value and therefore also as means of circulation is money. Gold is therefore money. It functions as money ...” (p. 227:1).

↑ Marx calls this the first function of *gold*, not of money, because it is the first function of the material which by social custom now and everywhere is the General equivalent. A specific use-value (gold) is now merged with a specific social relation (general Equivalent).

The formulation “qualitatively equal and quantitatively comparable” can also be found in 188:2.

↓ Something that serves as an Simple or Particular Expanded equivalent plays, as Marx argued in 158:5/o, a very passive role. If it is General equivalent, its role is no longer so

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passive, and if it is money, then this role develops into a function of that thing.

It thus functions as a general measure of value, and it is at first only by this function that gold, the specific equivalent commodity, becomes money.

So funktioniert es als allgemeines Maß der Werte, und nur durch diese Funktion wird Gold, die spezifische Äquivalentware, zunächst Geld.

The “specific equivalent commodity” is, by definition, that commodity whose natural form has become irrevocably joined with the form of universal exchangeability or the General equivalent form. “At first” because in section 3 we will see that this is only the beginning of a development in which gold “becomes” money. If Marx says here that gold at first becomes money by its function of measure of value, he means that this is what is needed in order to trigger the whole process of becoming, which will be detailed throughout this chapter. Even though today’s money is no longer *commodity* money, it can still be argued that its first function is ‘measure of value’.

Question 410 (*Tue Oct 5–Thu Oct 7*) Is Marx’s claim in Contribution 286:3/ooo still valid today that the commodity’s “second existence as exchange-value itself can only be another commodity, because it is only commodities which confront one another in the exchange process”? [2007fa](#), [2001fa](#).

The next paragraph reminds us that the function of money as measure of value is the result of the activity on the side of the commodities in the relative form of value.

188:3 The commodities do not become commensurable through money. Quite the contrary. Only because all commodities, as values, are objectified human labor, and are therefore in and for themselves commensurable, can they jointly measure their values in one and the same specific commodity, and thus turn this commodity into the common measure of their values, i.e. into money.

109:3 Die Waren werden nicht durch das Geld kommensurabel. Umgekehrt. Weil alle Waren als Werte vergebenständlichte menschliche Arbeit, daher an und für sich kommensurabel sind, können sie ihre Werte gemeinschaftlich in derselben spezifischen Ware messen und diese dadurch in ihr gemeinschaftliches Wertmaß oder Geld verwandeln.

↑ Causality goes from production to the circulation and from the relative form of value to the equivalent form. ↓ Also the next sentence implies that the inner measure, labor-time, is the primary driving force, generating the exterior measure, money.

Money as a measure of value is the necessary form of appearance of the immanent measure of value of the commodities, namely labor-time.⁵⁰

Geld als Wertmaß ist notwendige Erscheinungsform des immanenten Wertmaßes der Waren, der Arbeitszeit.⁵⁰

At Marx’s time, paper money represented gold. Today it represents credit. Neither now nor then did it represent labor. Footnote 50 explains why money cannot represent labor:

⁵⁰ The question why money does not directly represent labor-time itself, so that a piece of paper may represent, for instance, x labor hours, comes down simply to the question why, on the basis of commodity production, the products of labor must take the form of commodities, since their assuming the form of commodities implies their differentiation into commodities on the one hand and the money commodity on the other. It is the question why private labor cannot be treated

⁵⁰ Die Frage, warum das Geld nicht unmittelbar die Arbeitszeit selbst repräsentiert, so daß z.B. eine Papiernote x Arbeitsstunden vorstellt, kommt ganz einfach auf die Frage heraus, warum auf Grundlage der Warenproduktion die Arbeitsprodukte sich als Waren darstellen müssen, denn die Darstellung der Ware schließt ihre Verdopplung in Ware und Geldware ein. Oder warum Privatarbeit nicht als unmittelbar gesellschaftliche Arbeit, als ihr Gegenteil, behandelt werden

as its opposite, directly social labor. Elsewhere I have given an exhaustive discussion of the shallow utopianism of the idea of ‘labor money’ in a society founded on the production of commodities (op. cit., p. 320:2–321:4 ff.)

↑ Marx refers here to his discussion of Gray’s labor money in *Contribution*, 320:2–321:4.

↓ The second half of the footnote reminds us that Gray’s theory should not be confused with that of *Robert Owen*. Gray wants to maintain commodity production, while Owen wants to abolish it. Marx’s critique of labor money only refers to Gray, not to Owen:

Question 412 (*Tue Oct 5–Thu Oct 7*) Why this detour over gold, why not measure value directly by labor-time? [2009fa](#), [2008fa](#), [2005fa](#), [2003fa](#), [2002fa](#), [1998WI](#), [1997ut](#), [1997sp](#).

50 ctd At this point I will only say further that Owen’s ‘labor money’, for instance, is no more ‘money’ than a theater ticket is. Owen presupposes directly socialized labor, a form of production diametrically opposite to the production of commodities. The certificate of labor is merely evidence of the part taken by the individual in the common labor, and documents his claim to a portion of the common product that has been set aside for consumption. But Owen never makes the mistake of presupposing the production of commodities and hoping that he can, by tinkering with money, avoid the necessary conditions for that form of production.

kann. Ich habe den seichten Utopismus eines Arbeitsgelds auf Grundlage der Warenproduktion anderswo ausführlich erörtert. (l.c. p. 320:2–321:4 ff.)

50 ctd Hier sei noch bemerkt, da z.B. das Owensche „Arbeitsgeld“ ebensowenig „Geld“ ist wie etwa eine Theatermarke. Owen setzt unmittelbar vergesellschaftete Arbeit voraus, eine der Warenproduktion diametral entgegengesetzte Produktionsform. Das Arbeitszertifikat konstatiert nur den individuellen Anteil des Produzenten an der Gemeinarbeit und seinen individuellen Anspruch auf den zur Konsumtion bestimmten Teil des Gemeinprodukts. Aber es fällt Owen nicht ein, die Warenproduktion vorauszusetzen und dennoch ihre notwendigen Bedingungen durch Geldpfuschereien umgehn zu wollen.

Question 413 (*Tue Oct 5–Thu Oct 7*) Why is “labor money” not money? [2007fa](#), [2007SP](#), [2003fa](#).

3.1.b. [Exchange-Value Becomes Price]

Step (2) goes back from the equivalent to the relative form of value. What happens to the *relative* form of value if gold becomes the measure of value? It becomes the price. The next two pages discuss the price of one single commodity, one ton of iron.

189:1 The expression of the value of a commodity in gold— x commodity A = y money commodity—is the commodity’s money form or its price. A single equation, such as 1 ton of iron = 2 ounces of gold, now suffices to express the value of iron in a socially valid manner. There is no longer any need for this equation to line up together with all other equations that express the values of the other commodities, because the equivalent commodity, gold, already possesses the character of money. The commodities’ general relative value form has

110:1 Der Wertausdruck einer Ware in Gold— x Ware A = y Geldware—is ihre Geldform oder ihr Preis. Eine vereinzelte Gleichung, wie 1 Tonne Eisen = 2 Unzen Gold, genügt jetzt, um den Eisenwert gesellschaftlich gültig darzustellen. Die Gleichung braucht nicht länger in Reih und Glied mit den Wertgleichungen der andren Waren aufzumarschieren, weil die Äquivalentware, das Gold, bereits den Charakter von Geld besitzt. Die allgemeine relative Wertform der Waren hat daher jetzt wieder die Gestalt ihrer ursprünglichen, einfachen

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thus the same shape as their original relative value form, the Simple or Individual form of value.

oder einzelnen relativen Wertform.

Definition of price. One single equation, which looks like the Simple form of value, is now a “socially valid” expression of the value of one ton of iron. The word “single” in the second sentence of Marx’s text above is in German “**vereinzelt**,” indicating that this single-ness is not original but produced, the result of a social process. A *social* relation takes form of a relationship between two individual commodities.

Exam Question 414 *What is the price of a commodity? Say how it is defined, and say as much as you can about it without going into Marx’s theory how its magnitude is determined.* *2008fa, 2007SP, 2005fa, 2004fa, 2003fa, 2001fa, 1999SP, 1998WI, 1997sp.*

Question 417 *(Tue Oct 5–Thu Oct 7) Compare the Price form with the Simple form of value.* *2009fa, 2007SP, 2004fa, 2003fa.*

Whereas the expression of the value of any ordinary commodity looks now like the Simple form of value, the expression of the value of money looks like the Expanded form of value: On the other hand, the Expanded relative expression of value, the endless series of equations, has now become the specific relative form of value of the money commodity.

Andrerseits wird der entfaltete relative Wertausdruck oder die endlose Reihe relativer Wertausdrücke zur spezifisch relativen Wertform der Geldware.

↓ Usually the commodity in the relative form of value plays an active role. This is not the case here:

The endless series, however, is already socially given in the prices of the commodities. We only need to read the quotations of a price list backwards, to find the magnitude of the value of money expressed in all possible commodities.

Diese Reihe ist aber jetzt schon gesellschaftlich gegeben in den Warenpreisen. Man lese die Quotations eines Preiskurants rückwärts und man findet die Wertgröße des Geldes in allen möglichen Waren dargestellt.

↑ Money does not have to work to establish its form of value. Rather, this form of value is already given. Since all goods express their values in money, money becomes “directly exchangeable” for them. Compare 159:2/o. The fact that money can buy everything is a powerful expression of the value of money.

Question 418 *(Tue Oct 5–Thu Oct 7) How is the value of money expressed?* *2009fa, 2008fa, 2008SP, 2007SP, 2005fa, 2004fa, 2003fa, 2002fa, 2001fa, 2000fa, 1999SP, 1998WI, 1997ut, 1997sp.*

Question 419 *(Tue Oct 5–Thu Oct 7) If linen is offered in exchange for a coat, Marx is adamant that this is not an expression of the value of the coat, only of the linen. But if linen is offered in exchange for money, then this is part of the expression of the value of money. How did this difference come about?* *2009fa.*

After a side remark about the so-called mint price of gold, which is not really a price according to the definition of price given here, Marx continues:

189:2–190 The price or money form of commodities, like their form of value gener-

110:2–111 Der Preis oder die Geldform der Waren ist, wie ihre Wertform überhaupt,

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ally, is a form different from their palpable and real bodily forms, i.e., it is a merely notional or imagined form.

eine von ihrer handgreiflich reellen Körperform unterschiedne, also nur ideelle oder vorgestellte Form.

Marx says here something about the price form which is true for all value forms of a commodity: it is “notional.” The German word translated here by “notional” is “*ideell*.” It is incorrect to translate “*ideell*” with “ideal.” Marx makes a strict distinction between the German terms “*ideal*” and “*ideell*.” Something which is *ideal* is by definition not real, it is an idealization of something real. The price of a commodity is not *ideal* in this sense. Marx held the view that social relations are real forces, that they are independent causal powers. A defense of this causal criterion of “reality” is given by Bhaskar in [Bha89b, p. 69:2]. Nevertheless, certain social relations “exist” most importantly in the heads of the individuals, i.e., they are “notional” (*ideell*). One should not be confused by this formulation and think Marx wanted to deny their reality.

↓ The value of a commodity is not a surface category. It represents the social relations under which the commodity was produced, namely, the abstract human labor spent during its production. In the negotiations between buyer and seller, only the properties of the product itself are discussed; the labor spent by the producer is treated as if it was the private affair of the producer. In this sense, the value is “invisible” to the surface agents:

Although invisible, the value of iron, linen and corn exists in these very articles: it is made accessible through their equality with gold, a relation with gold which exists, so to speak, only in their heads.

Der Wert von Eisen, Leinwand, Weizen usw. existiert, obgleich unsichtbar, in diesen Dingen selbst; er wird vorgestellt durch ihre Gleichheit mit Gold, eine Beziehung zum Gold, die sozusagen nur in ihren Köpfen spukt.

↑ Although nobody is talking about this labor content it plays an important role in the surface interactions, it is so-to-say the elephant in the room. If market prices are above the value determined by this labor content, more suppliers will tend to appear on the market until the discrepancy between values and prices disappears, and if market prices are below value, supply will diminish. One can think of value as a substance inside the commodities which is squeezed, and therefore tends to raise prices, if the commodity is sold below its value, and which is stretched, and therefore tends to lower prices, if the commodity is sold above its value. This is why Marx says it is invisibly present in the commodity. By their attempts to get a price as high as possible the market participants take part in the process in which value finds its magnitude. This is why Marx says that the value is “*vorgestellt*,” i.e., represented, introduced into social interactions, by its exchange relationship with gold on the surface of the economy. But the last half of this sentence above seems to indicate that we have not made much headways, since this relation is still inside the heads of the commodity owners. ↓ Alas, all they have to do is write this relation down in form of a price sign:

The guardian of the commodities must therefore lend them his tongue, or hang a ticket on them, in order to communicate their prices to the outside world.⁵¹

Der Warenhüter muß daher seine Zunge in ihren Kopf stecken oder ihnen Papierzettel umhängen, um ihre Preise der Außenwelt mitzuteilen.⁵¹

Question 420 (Tue Oct 5–Thu Oct 7) Why do the commodity owners write the price on their price signs and not the labor-content of the commodity they are producing? 2009fa, 2007fa, 2007SP, 2005fa.

By their price tags, the commodities tell the world what they are worth (or at least what their owner thinks they are worth). This is not merely a theoretical musing but has practical

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implications: the price tag commits the owner to hand the commodity over to anyone who is willing to pay the marked price. The price therefore has real effects, but the gold which makes pricing possible does not have to be present.

Since expression of the value of commodities in gold is a purely notional act, it requires only imagined or notional gold. Every owner knows that by giving price form (i.e., imagined gold form) to the value of his commodities he is nowhere near turning them into gold. It also does not require the tiniest particle of real gold to give a valuation in gold of millions of pounds' worth of commodities.

Da der Ausdruck der Warenwerte in Gold ideell ist, ist zu dieser Operation auch nur vorgestelltes oder ideelles Gold anwendbar. Jeder Warenhüter weiß, daß er seine Waren noch lange nicht vergoldet, wenn er ihrem Wert die Form des Preises oder vorgestellte Goldform gibt, und daß er kein Quentchen wirkliches Gold braucht, um Millionen Warenwerte in Gold zu schätzen.

3.1.c. [Commodity Prices and the Value of Gold]

The process of giving a price does not require actual gold and also does not immediately yield actual gold. This observation seems too trivial to be worth repeating. However it opens up the nontrivial question: what is the real basis of the act of price-giving? Marx claims that gold does enter this process. Since it does not have to be present and also will not necessarily be present, Marx calls it "imagined".

In its function as measure of value, money serves therefore—as only imagined or notional money.

In seiner Funktion des Wertmaßes dient das Geld daher—als nur vorgestelltes oder ideelles Geld.

This is the step (3a), going back to the equivalent form. Now Marx uses the word "money," not "gold," because this is true for all other forms of currency too. Since this invites false theories of money, this would be a good place to give some theory-critical remarks. Instead of making such remarks here, Marx refers to *Contribution*:

This circumstance has given rise to the wildest theories.⁵²

Dieser Umstand hat die tollsten Theorien veranlaßt.⁵²

⁵² See Karl Marx, *Contribution to the Critique etc.*, 'Theories of the Standard of Money', pp. 53 ff. [English translation, pp. 76 ff.]

Marx asks now: what information about money is needed?

But, although the money that performs the function of a measure of value is only imagined, the price depends entirely on the actual substance that is money. The value, i.e. the quantity of human labor contained in a ton of iron, is expressed by an imagined quantity of the money commodity containing the same amount of labor as the iron. Therefore according to whether it is gold, silver or copper which is serving as the measure of value, the value of the ton of iron obtains very different price expressions, or will be represented by very different quantities of those metals.

Obgleich nur vorgestelltes Geld zur Funktion des Wertmaßes dient, hängt der Preis ganz vom reellen Geldmaterial ab. Der Wert, d.h. das Quantum menschlicher Arbeit, das z.B. in einer Tonne Eisen enthalten ist, wird ausgedrückt in einem vorgestellten Quantum der Geldware, welches gleich viel Arbeit enthält. Je nachdem also Gold, Silber oder Kupfer zum Wertmaß dienen, erhält der Wert der Tonne Eisen ganz verschiedene Preisausdrücke oder wird in ganz verschiedenen Quantitäten Gold, Silber oder Kupfer vorgestellt.

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One should not take this to mean that the seller needs to know how much labor is contained in gold. There is a connection, but it is more complicated than this.

Question 421 (*Tue Oct 5–Thu Oct 7*) *By putting a price tag on a commodity, does the seller declare, assert, that this commodity contains as much labor as the corresponding amount of gold?* [2009fa](#), [2008fa](#), [2007fa](#), [2004fa](#), [2002fa](#), [1997ut](#).

Question 422 (*Tue Oct 5–Thu Oct 7*) *Marx says that under the gold standard the magnitude of the price of a commodity is that amount of gold which contains the same amount of socially necessary labor as the commodity. However the person who purchases the commodity has, as a rule, no idea how much labor his gold coin represents. Which mechanism did Marx postulate for the dependence of the price level on the labor content of gold?* [2007fa](#), [2004fa](#), [2002fa](#), [1998WI](#).

To illustrate the role played by the actual money material, Marx discusses next the relation between gold prices and silver prices of commodities.

190:1 If therefore two different commodities, such as gold and silver, serve simultaneously as measures of value, all commodities will have two separate price-expressions, the price in gold and the price in silver, which will quietly co-exist as long as the ratio of the value of silver to that of gold remains unchanged, say at 1:15. However, every alteration in this ratio disturbs the ratio between the gold prices and the silver prices of commodities, and thus proves in fact that a duplication of the measure of value contradicts the function of that measure.⁵³

111:1 Dienen daher zwei verschiedene Waren, z.B. Gold und Silber, gleichzeitig als Wertmaße, so besitzen alle Waren zweierlei verschiedene Preisausdrücke, Goldpreise und Silberpreise, die ruhig nebeneinander laufen, solange das Wertverhältnis von Silber zu Gold unverändert bleibt, z.B. = 1:15. Jede Veränderung dieses Wertverhältnisses stört aber das Verhältnis zwischen den Goldpreisen und den Silberpreisen der Waren und beweist so tatsächlich, daß die Verdopplung des Wertmaßes seiner Funktion widerspricht.⁵³

From chapter One, section 1.3 we know that value must express itself in one commodity only. Bimetallism is a form of value that does not meet this requirement, and therefore leads to crises (Gresham's law: small differences in preferability induce the money holders to make huge shifts in money holdings).

Question 424 (*Tue Oct 5–Thu Oct 7*) *Assume under bimetallism the nominal value of silver falls below its real value. Will then silver coins be used for exchange or gold coins?* [2008fa](#), [1997sp](#).

The disturbances created by the duplication of the measure of value in bimetallism are proof that the production costs of gold and silver do matter and are closely watched.

3.1.d. [Standard of Prices]

If we know that 1 lb of wheat has as much labor as 2 g of gold, we still don't know the *price* of wheat. For this it is also necessary to know how much gold is represented by 1 monetary unit. This second step is the function of gold as standard of prices. This is not a "higher" function than measure of value, but an additional, more technical function. After gold, in its function as measure of value, has associated every commodity with a certain amount of gold,

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the need arises to compare different gold quantities with each other. In this comparison, gold functions as standard of prices.

The function of gold as standard of prices is introduced by an alternative transition from the relative form of value, i.e., the price, back to the equivalent form. In our numbering it is back-and-forth-step (3b). In prices, all commodities have a uniform value expression which expresses two things:

- the value of each commodity differs from its use-value.
- the values of different commodities are qualitatively equal, they only differ by their quantities.

While 189:1–190:1 discussed the price of one single commodity, one ton of iron, step (3b) addresses the second aspect and looks at the prices of several commodities together.

191:1/o After they are given their prices, all commodities present themselves in the form: *a* commodity *A* = *x* gold; *b* commodity *B* = *y* gold; *c* commodity *C* = *z* gold, etc., where *a*, *b*, *c* represent definite quantities of the commodities *A*, *B*, *C*, and *x*, *y*, *z* definite quantities of gold. The values of these commodities are therefore transformed into imagined amounts of gold of different magnitudes. Despite the colorful variety of the commodities themselves, their values become magnitudes of the same denomination, gold-magnitudes.

↓ With this qualitative homogenization for all commodities, the need arises to compare different quantities of gold, which represent the values of different commodities, with each other:

As different quantities of gold, they can be compared with each other and measure each other. For technical reasons the need arises to relate them to some fixed quantity of gold as their unit of measurement. This unit, by subsequent division into aliquot parts, becomes itself an entire scale, the standard of measurement.

↓ One would think that this need is already met, because the commodities gold, silver, copper had standards of measurement already before they became money.

Before they become money, gold, silver and copper already possess such standards in their weights, so that, for example, a pound, which serves as a unit of measurement, can on the one hand be divided into ounces, and on the other hand be combined with others to make up hundredweights.⁵⁴

↓ And indeed, the names of monetary units derive from weight units (e.g. Pound Sterling).

112 Die preisbestimmten Waren stellen sich alle dar in der Form: *a* Ware *A* = *x* Gold, *b* Ware *B* = *z* Gold, *c* Ware *C* = *y* Gold usw., wo *a*, *b*, *c* bestimmte Massen der Warenarten *A*, *B*, *C* vorstellen, *x*, *z*, *y* bestimmte Massen des Goldes. Die Warenwerte sind daher verwandelt in vorgestellte Goldquanta von verschiedner Größe, also, trotz der wirren Buntheit der Warenkörper, in gleichnamige Größen, Goldgrößen.

Als solche verschiedene Goldquanta verglichen und messen sie sich untereinander, und es entwickelt sich technisch die Notwendigkeit, sie auf ein fixiertes Quantum Gold als ihre Maßeinheit zu beziehn. Diese Maßeinheit selbst wird durch weitere Einteilung in aliquote Teile zum Maßstab fortentwickelt.

Vor ihrer Geldwerdung besitzen Gold, Silber, Kupfer bereits solche Maßstäbe in ihren Metallgewichten, so daß z.B. ein Pfund als Maßeinheit dient und nach der einen Seite wieder in Unzen usw. abgeteilt, nach der andren in Zentner usw. zusammenaddiert wird.⁵⁴

It is owing to this that, in all metallic currencies, the names given to the standards of money or of price were originally taken from the preexisting names of the standards of weight.

But weight units were used at monetary units only at the beginning. Over time, the monetary standard evolved away from these weight measures. This is why it is justified to say that the measurement of different gold quantities is an additional function of the money commodity gold.

Bei aller metallischen Zirkulation bilden daher die vorgefundenen Namen des Gewichtsmaßstabs auch die ursprünglichen Namen des Geldmaßstabs oder Maßstabs der Preise.

3.1.e. [Complementarity and Conflict between Measure of Values and Standard of Prices]

Under the gold standard, the price signs in the stores are not denominated in ounces or grams of gold, but in Pound Sterling or other currencies. The Pound Sterling is here a specific quantity of gold which serves as measuring unit. In the equation a commodity $A = z$ Pound Sterling, money serves therefore in two functions: on the one hand as measure of value which leads to the equation a commodity $A = x$ gold, and then as standard of prices which specifies the gold quantity x by comparing it to the gold quantity which represents 1 Pound Sterling. Although the function of money as a standard of prices is a trivial function, Marx devotes here some room to it because the economists of his time often confused changes in the measure of value with those in the standard of prices.

192:1 As measure of value and as standard of price, money performs two quite different functions. It is the measure of value as the social incarnation of human labor; it is the standard of price as a quantity of metal with a fixed weight. As the measure of value it serves to convert the values of all the manifold commodities into prices, into imagined quantities of gold; as the standard of price it measures those quantities of gold. The measure of values allows commodities to measure themselves as values; the standard of price, by contrast, measures quantities of gold by a unit quantity of gold, not the value of one quantity of gold by the weight of another.

↑ Marx emphasizes here the contrast between the fundamental economic function of money as measure of value and its trivial merely technical function as standard of prices.

↓ These two different functions have different and even conflicting requirements. As measure of value, gold must have a variable value like every other commodity, but as standard of prices it must be a fixed quantity:

For the standard of price, a certain weight of gold must be fixed as the unit of measurement. In this case, as in all cases where quantities of the same denomination are to be measured, the stability of the measure-

113:1 Als Maß der Werte und als Maßstab der Preise verrichtet das Geld zwei ganz verschiedene Funktionen. Maß der Werte ist es als die gesellschaftliche Inkarnation der menschlichen Arbeit, Maßstab der Preise als ein festgesetztes Metallgewicht. Als Wertmaß dient es dazu, die Werte der bunt verschiedenen Waren in Preise zu verwandeln, in vorgestellte Goldquanta; als Maßstab der Preise mißt es diese Goldquanta. Am Maß der Werte messen sich die Waren als Werte, der Maßstab der Preise mißt dagegen Goldquanta an einem Goldquantum, nicht den Wert eines Goldquants am Gewicht des andren.

Für den Maßstab der Preise muß ein bestimmtes Goldgewicht als Maßeinheit fixiert werden. Hier, wie in allen andren Maßbestimmungen gleichnamiger Größen, wird die Festigkeit der Maßverhältnisse entschei-

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ment is of decisive importance. Hence the less the unit of measurement (here a quantity of gold) is subject to variation, the better the standard of price fulfils its office.

↑ Therefore gold money fulfills its functions best if one pound sterling always represents the same amount of gold (i.e., if there is no debasement of the currency). ↓ Now if we look at the function of money as measure of value, the same criterion of constancy of the measuring unit seems in principle unachievable:

But gold can serve as a measure of value only because it is itself a product of labor, and therefore potentially variable in value.⁵⁵

Does this variability in the value of gold disqualify gold from performing the two functions of measure of value and standard of prices? Marx considers this question in detail and his answer will be that this variability is not an obstacle. ↓ First he shows that the variability in the value of gold does not interfere with the function of gold as standard of prices:

192:2/o It is, first of all, quite clear that a change in the value of gold in no way impairs its function as standard of prices. No matter how the value of gold varies, different quantities of gold always remain in the same value-relation to each other. If the value of gold fell by 1,000 per cent, 12 ounces of gold would continue to have twelve times the value of one ounce of gold, and when we are dealing with ounces we are only concerned with the relation between different quantities of gold. Since, on the other hand, an ounce of gold undergoes no change in weight when its value rises or falls, no change can take place in the weight of its aliquot parts. Thus gold always renders the same service as a fixed measure of price, however much its value may vary.

↑ For trivial reasons, a change of value does not affect the role of gold as standard of prices at all. With a fall of the value of gold by 1000%, Marx presumably means a fall in the value by the factor of 10, which raises all gold prices to 1000% of their earlier levels. ↓ A change of value also does not affect its role as measure of values, but here the reasoning is not quite as trivial. Marx proceeds here in two steps. First he says that the relative values of two ordinary commodities is not affected by a change in the value of gold:

A change in the value of gold also does not prevent it from fulfilling its function as measure of value. The change affects all commodities simultaneously, and therefore, other things being equal, leaves the mutual relations between their values unaltered, although those values are now all expressed in higher or lower gold-prices than before.

dend. Der Maßstab der Preise erfüllt daher seine Funktion um so besser, je unveränderlicher ein und dasselbe Quantum Gold als Maßeinheit dient.

Als Maß der Werte kann Gold nur dienen, weil es selbst Arbeitsprodukt, also der Möglichkeit nach ein veränderlicher Wert ist.⁵⁵

113:2 Es ist zunächst klar, daß ein Wertwechsel des Goldes seine Funktion als Maßstab der Preise in keiner Weise beeinträchtigt. Wie auch der Goldwert wechsle, verschiedene Goldquanta bleiben stets in selbem Wertverhältnis zueinander. Fiele der Goldwert um 1000%, so würden nach wie vor 12 Unzen Gold 12mal mehr Wert besitzen als eine Unze Gold, und in den Preisen handelt es sich nur um das Verhältnis verschiedner Goldquanta zueinander. Da andererseits eine Unze Gold mit dem Fallen oder Steigen ihres Werts keineswegs ihr Gewicht verändert, verändert sich ebensowenig das ihrer aliquoten Teile, und so tut das Gold als fixer Maßstab der Preise stets denselben Dienst, wie immer sein Wert wechsle.

113:3/o Der Wertwechsel des Goldes verhindert auch nicht seine Funktion als Wertmaß. Er trifft alle Waren gleichzeitig, läßt also caeteris paribus ihre wechselseitigen relativen Werte unverändert, obgleich sie sich nun alle in höheren oder niedrigeren Goldpreisen als zuvor ausdrücken.

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↑ The variability of the value of gold does not preclude it from functioning as measure of value because it leaves the relative prices unchanged. ↓ Next Marx investigates how the variability in value affects the absolute prices. Here the earlier discussion from Section 3 of Chapter One applies:

193:1 Just as in the case of the representation of the value of one commodity in the use-value of any other commodity, so also in this case, where commodities measure their values in gold, we assume nothing more than that the production of a given quantity of gold costs, at a given period, a given amount of labor. As regards the fluctuations of commodity prices in general, they are subject to the laws of the simple relative expression of value which we developed in an earlier chapter.

Despite the differences between simple equivalent and general equivalent, value changes affect both forms in the same way. These laws were developed earlier, starting 145:1.

↓ A brief summary of those laws shows that their application gives interesting results:

193:2 A general rise in the prices of commodities can result either from a rise in their values, which happens when the value of money remains constant, or from a fall in the value of money, which happens when the values of commodities remain constant. The process also occurs in reverse: a general fall in prices can result either from a fall in the values of commodities, if the value of money remains constant, or from a rise in the value of money, if the values of commodities remain constant.

A change in the price of a commodity evenly depends on both the value of the money and the value of the commodity. Those who worry about the variability of the value of money should therefore also consider the variability of the values of ordinary commodities:

It therefore by no means follows that a rise in the value of money necessarily implies a proportional fall in the prices of commodities, or that a fall in the value of money implies a proportional rise in prices. This would hold only for commodities whose value remains constant. But commodities whose value rises simultaneously with and in proportion to that of money would retain the same price. And if their value rose either slower or faster than that of money, the fall or rise in their prices would be determined by the difference between the path

114:1 Wie bei der Darstellung des Werts einer Ware im Gebrauchswert irgendeiner andren Ware, ist auch bei der Schätzung der Waren in Gold nur vorausgesetzt, daß zur gegebenen Zeit die Produktion eines bestimmten Goldquantums ein gegebenes Quantum Arbeit kostet. In bezug auf die Bewegung der Warenpreise überhaupt gelten die früher entwickelten Gesetze des einfachen relativen Wertausdrucks.

114:2 Die Warenpreise können nur allgemein steigen, bei gleichbleibendem Geldwert, wenn die Warenwerte steigen; bei gleichbleibenden Warenwerten, wenn der Geldwert fällt. Umgekehrt. Die Warenpreise können nur allgemein fallen, bei gleichbleibendem Geldwert, wenn die Warenwerte fallen; bei gleichbleibenden Warenwerten, wenn der Geldwert steigt.

Es folgt daher keineswegs, daß steigender Geldwert proportionelles Sinken der Warenpreise und fallender Geldwert proportionelles Steigen der Warenpreise bedingt. Dieses gilt nur für Waren von unverändertem Wert. Solche Waren z.B., deren Wert gleichmäßig und gleichzeitig steigt mit dem Geldwert, behalten dieselben Preise. Steigt ihr Wert langsamer oder rascher als der Geldwert, so wird der Fall oder das Steigen ihrer Preise bestimmt durch die Differenz zwischen ihrer Wertbewegung und der des Geldes usw.

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described by their value and that described by the value of money. And so on.

↑ As productivity rises, a given amount of gold represents less and less labor-time. This does not impair the ability of gold to function as measure of value because ordinary commodities also represent less and less labor. On the contrary, the variability of the value of money is an advantage, since prices remain more stable if gold takes part in the general development of productivity. This concludes Marx's reasoning that the variability in the value of gold does not impair its function as measure of value, but on the contrary even enhances it. This is not really a paradoxical result if one looks at it as follows: Quantitative variability is an intrinsic characteristic of value, which the measuring stick should share with that what it measures.

Question 426 (*Tue Oct 5–Thu Oct 7*) *If the value of gold changes over time, does this impair its role as standard of prices? Does it impair its role as measure of value?* [2009fa](#), [2008fa](#), [2007fa](#), [2001fa](#).

3.1.f. [Separation of Money Names from Weight Names]

193:3/o Let us now return to our investigation of the price form.

114:3 Kehren wir nun zur Betrachtung der Preisform zurück.

After this short digression, clarifying certain issues regarding measure of value and standard of prices, let us see now what this new determination on the side of the equivalent form does to the side of the relative values. This is back-and-forth step (4): Price no longer expressed in weight quantities of gold but in a money name.

This step can be divided into two substeps. First substep: the names in which prices are called no longer coincide with the weight names of the money commodity but they are their own specific words. This is a somewhat unexpected transition, since this is the development of a form which is not true to its content. If it is true that prices are equivalent quantities of gold, why are they not called this? As in the discussion starting in [680:3](#), Marx describes here the circumstances facilitating the transition from a truer form to a more mystified form. For various reasons, the money names of the metal weights gradually diverge from their original weight-names. The historically decisive reasons are: (1) The introduction of foreign money among less developed peoples. This happened at Rome in its early days, where gold and silver coins circulated at first as foreign commodities. The names of these foreign coins were different from those of the indigenous weights. (2) With the development of material wealth, the more precious metal extrudes the less precious from its function as measure of value. Silver drives out copper, gold drives out silver, however much this sequence may contradict the chronology of the poets.⁵⁶ The word “pound,” for instance, was the money-name given to an actual pound weight of

114:4/o Die Geldnamen der Metallgewichte trennen sich nach und nach von ihren ursprünglichen Gewichtnamen aus verschiedenen Gründen, darunter historisch entscheidend: 1. Einführung fremden Geldes bei minderentwickelten Völkern, wie z.B. im alten Rom Silber- und Goldmünzen zuerst als ausländische Waren zirkulierten. Die Namen dieses fremden Geldes sind von den einheimischen Gewichtnamen verschieden. 2. Mit der Entwicklung des Reichtums wird das minder edle Metall durch das edlere aus der Funktion des Wertmaßes verdrängt. Kupfer durch Silber, Silber durch Gold, sosehr diese Reihenfolge aller poetischen Chronologie widersprechen mag.⁵⁶ Pfund war nun z.B. Geldname für ein wirkliches Pfund Silber. Sobald Gold das Silber

silver. As soon as gold had driven out silver as a measure of value, the same name became attached to, say, one fifteenth of a pound of gold, depending on the ratio between the values of gold and silver. Pound as a moneyname and pound as the ordinary weight-name of gold are now two different things.⁵⁷ (3) Centuries of continuous debasement of the currency by kings and princes have in fact left nothing behind of the original weights of gold coins but their names.⁵⁸

⁵⁶ In any case, its historical validity is not entirely universal.

Question 427 (*Tue Oct 5–Thu Oct 7*) What does Marx mean with footnote 56 to 193:3/o?

⁵⁷ Thus the pound sterling denotes less than one-third of its original weight, the ‘pound scots’ before the union, only one 36th, the French livre one 74th, the Spanish maravedi, less than one 1,000th, and the Portuguese rei a still smaller fraction.

⁵⁸ ‘The coins which today have a merely ideal denomination are in all nations the oldest; once upon a time they were all real, and because they were real people reckoned with them’ [Gal03, p. 153].

One should expect now that Marx goes back to the relative form of value, in order to look at the corresponding modifications in the price form. But he first gives a little more detail about what happens to the equivalent form when the money commodity obtains the function as standard of prices. In the first paragraph a historical fact about the measuring unit is quoted: it separates itself from the weight name.

194:1 These historical processes have made the separation of the money-name from the weight-name into a fixed popular custom. Since the standard of money is on the one hand purely conventional, while on the other hand it must possess universal validity, it is in the end regulated by law.

Role of the state: on the one hand the monetary unit is purely conventional, on the other it must have general validity, therefore regulated by law. The economic determinations are such that they require conscious intervention.

A given weight of one of the precious metals, an ounce of gold for instance, becomes officially divided into aliquot parts, baptized by the law as a pound, a thaler, etc. These aliquot parts, which then serve as the

als Wertmaß verdrängt, hängt sich derselbe Name vielleicht an 1/15 usw. Pfund Gold, je nach dem Wertverhältnis von Gold und Silber. Pfund als Geldname und als gewöhnlicher Gewichtname des Goldes sind jetzt getrennt.⁵⁷ 3. Die Jahrhunderte fortgesetzte Geldfälschung der Fürsten, welche vom ursprünglichen Gewicht der Geldmünzen in der Tat nur den Namen zurückließ.⁵⁸

⁵⁶ Sie ist übrigens auch nicht von allgemein historischer Gültigkeit.

⁵⁷ Note zur 2. Ausg. So bezeichnet das englische Pfund weniger als ein Drittel seines ursprünglichen Gewichts, das schottische Pfund vor der Union nur noch 1/36, der französische Livre 1/74, der spanische Maravedi weniger als 1/1000, der portugiesische Rei eine noch viel kleinere Proportion.

⁵⁸ Note zur 2. Ausg. „Die Münzen, deren Namen heute nur noch ideell sind, sind bei allen Nationen die ältesten; sie alle waren einst real, und eben weil sie real waren, hat man mit ihnen gerechnet.“ [Gal03, p. 153].

115:1 Diese historischen Prozesse machen die Trennung des Geldnamens der Metallgewichte von ihrem gewöhnlichen Gewichtsnamen zur Volksgewohnheit. Da der Geldmaßstab einerseits rein konventionell ist, andererseits allgemeiner Gültigkeit bedarf, wird er zuletzt gesetzlich reguliert.

Ein bestimmter Gewichtsteil des edlen Metalls, z.B. eine Unze Gold, wird offiziell abgeteilt in aliquote Teile, die legale Taufnamen erhalten, wie Pfund, Taler usw. Solcher aliquote Teil, der dann als die eigentli-

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actual units of money, are subdivided into other aliquot parts with legal names, such as a shilling, a penny etc.⁵⁹ But, despite this, a definite weight of metal remains the standard of metallic money. All that has changed is the subdivision and the denomination of the money.

⁵⁹ David Urquhart remarks in his ‘Familiar Words’ [Urq55, p. 105] on the monstrosity (!) that nowadays a pound (sterling), which is the unit of the English standard of money, is equal to about a quarter of an ounce of gold. ‘This is falsifying a measure, not establishing a standard.’ In this ‘false denomination’ of the weight of gold, he finds what he finds everywhere else, the falsifying hand of civilization.

194:2 The prices, or quantities of gold, into which the values of commodities are ideally changed, are therefore now expressed in the money-names, or the legally valid names of the subdivisions of the gold standard made for the purpose of reckoning. Hence, instead of saying that a quarter of wheat is worth an ounce of gold, people in England would say that it was worth £3 17s. 10 1/2d. In this way commodities tell each other by their money-names how much they are worth, and money serves as money of account whenever it is a question of fixing a thing as a value and therefore in its money form.⁶⁰

⁶⁰ ‘When Anacharsis was asked what the Greeks used money for, he replied: for reckoning’ (Athenaeus, *Deipnosophistae*, Bk IV, 49, v. 2, ed. Schweighäuser, 1802)

Here Marx finally says what happens to the relative form of value, the prices, after the equivalent form developed into a standard of price. They are expressed in money names (i.e., people do not even know anymore that prices represent certain quanta of gold). Therefore, by back-and-forth step (5), money is transformed into money of account.

195:1 The name of a thing is altogether external to its nature. I know nothing of a man if I merely know his name is Jacob. In the same way, every trace of the value relation disappears in the money names pound, thaler, franc, ducat, etc. It adds to the confusion about the hidden meaning of these cabalistic signs that these money names ex-

che Maßeinheit des Geldes gilt, wird unterteilt in andre aliquote Teile mit gesetzlichen Taufnamen, wie Shilling, Penny etc.⁵⁹ Nach wie vor bleiben bestimmte Metallgewichte Maßstab des Metallgeldes. Was sich geändert, ist Einteilung und Namengebung.

⁵⁹ Note zur 2. Ausg. Herr David Urquhart bemerkt in seinen „Familiar Words“ über das Ungeheuerliche (!), daß heutzutage ein Pfund (£ St.), die Einheit des englischen Geldmaßstabs, gleich ungefähr 1/4 Unze Gold ist: „Das ist Fälschung eines Maßes und nicht Festsetzung eines Maßstabs“ [Urq55, p. 105]. Er findet in dieser „falschen Benennung“ des Goldgewichts wie überall sonst die fälschende Hand der Zivilisation.

115:2 Die Preise, oder die Goldquanta, worin die Werte der Waren ideell verwandelt sind, werden jetzt also ausgedrückt in den Geldnamen oder gesetzlich gültigen Rechnennamen des Goldmaßstabs. Statt also zu sagen, der Quarter Weizen ist gleich einer Unze Gold, würde man in England sagen, er ist gleich 3 Pfd.St. 17 sh. 10 1/2 d. Die Waren sagen sich so in ihren Geldnamen, was sie wert sind, und das Geld dient als Rechengeld, sooft es gilt, eine Sache als Wert und daher in Geldform zu fixieren.⁶⁰

⁶⁰ Note zur 2. Ausg. „Als man den Anacharsis fragte, wozu die Hellenen das Geld brauchen, antwortet er: zum Rechnen.“ (Athen[aeus], „*Deipn[osophistae]*“, I. IV, 49, v. 2 [p. 120], ed. Schweighäuser, 1802.)

115:3/o Der Name einer Sache ist ihrer Natur ganz äußerlich. Ich weiß nichts vom Menschen, wenn ich weiß, daß ein Mensch Jacobus heißt. Ebenso verschwindet in den Geldnamen Pfund, Taler, Franc, Dukat usw. jede Spur des Wertverhältnisses. Die Wirre über den Geheimsinn dieser kabbalistischen Zeichen ist um so größer,

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press both the values of commodities and, simultaneously, proportional parts of a certain weight of metal, namely of that amount of metal which serves as the standard of money.⁶¹ On the other hand, it is in fact necessary that value, as opposed to the multifarious objects of the world of commodities, should develop into this form which is objective and gives no hint at its conceptual origin, but which is also a simple social form.⁶²

Fowkes translates “*Wirre über den Geheimsinn dieser kabbalistischen Zeichen*” as “confusion caused by

attributing a hidden meaning to these cabalistic signs” “*begriffslos sachlich*” as “material and

nonmental”. These translations are clearly wrong.

⁶¹ ‘Because as standard of price gold is expressed by the same names of account as the prices of commodities—for example £3 17s. 10 d. may denote an ounce of gold just as well as a ton of iron—these names of account are called the mint-price of gold. Thus the strange notion arose that gold is estimated in its own material and that, unlike all other commodities, its price is fixed by the State. The establishing of names of account for definite weights of gold was mistaken for the establishing of the value of these weights’ (Karl Marx, op. cit., p. 52) [English edition, p. 74].

This is a quote from *Contribution*, 312:2/oo.

⁶² Cf. ‘Theories of the Standard of Money’, in *Zur Kritik etc.*, pp. 53 ff. [English edition, pp. 76 ff.]. Some theorists had fantastic notions of raising or lowering the ‘mint-price’ of money by getting the state to transfer to greater or smaller weights of gold or silver the names already legally appropriated to fixed weights of those metals, so that for example 1/4 ounce of gold could be minted into 40 shillings in the future instead of 20. However, Petty dealt with these so exhaustively in his *Quantulumcunque Concerning Money: To the Lord Marquis of Halifax*, 1682, at least in those cases where they aimed not at clumsy financial operations against public and private creditors but rather at economic quack remedies, that even his immediate followers, Sir Dudley North and John Locke, not to mention later ones, could only repeat in more shallow terms what he had said. ‘If the wealth of a nation,’ he remarks, ‘could be increased ten

als die Geldnamen den Wert der Waren und zugleich aliquote Teile eines Metallgewichts, des Geldmaßstabs, ausdrücken.⁶¹ Andrerseits ist es notwendig, daß der Wert im Unterschied von den bunten Körpern der Warenwelt sich zu dieser begriffslos sachlichen, aber auch einfach gesellschaftlichen Form fortentwickle.⁶²

⁶¹ Note zur 2. Ausg. „Weil das Gold als Maßstab der Preise in denselben Rechennamen erscheint wie die Warenpreise, also z.B. eine Unze Gold ebensowohl wie der Wert einer Tonne Eisen in 3 Pf.d.St. 17 sh. 10 1/2 d. ausgedrückt wird, hat man diese seine Rechennamen seinen Münzpreis genannt. Die wunderliche Vorstellung entstand daher, als ob das Gold (resp. Silber) in seinem eignen Material geschätzt werde und im Unterschied von allen Waren von Staats wegen einen fixen Preis erhalte. Man versah die Fixierung von Rechennamen bestimmter Goldgewichte für Fixierung des Werts dieser Gewichte.“ (Karl Marx, l.c. p. 52.)

⁶² Vgl. „Theorien von der Maßeinheit des Geldes“ in „Zur Kritik der Pol. Oekon. etc.“, p. 53 sqq. Die Phantasien über Erhöhung oder Erniedrigung des „Münzpreises“, die darin besteht, die gesetzlichen Geldnamen für gesetzlich fixierte Gewichtteile Gold oder Silber auf größere oder kleinere Gewichtteile von Staats wegen zu übertragen und demgemäß auch etwa 1/4 Unze Gold statt in 20 künftig in 40 sh. zu prägen—diese Phantasien, soweit sie nicht ungeschickte Finanzoperationen gegen Staats und Privatgläubiger, sondern ökonomische „Wunderkuren“ bezwecken, hat Petty so erschöpfend behandelt in „Quantulumcunque concerning Money. To the Lord Marquis of Halifax, 1682“, daß schon seine unmittelbaren Nachfolger, Sir Dudley North und John Locke, von späteren gar nicht zu reden, ihn nur verflachen konnten. „Wenn der Reichtum einer Nation“, sagt er u.a., „durch eine Verordnung verzehnfacht werden könnte,

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times by a proclamation, it were strange that such proclamations have not long since been made by our Governors' (Petty, op. cit., p. 36).

wäre es eigenartig, daß unsere Regierungen nicht schon längst derartige Verordnungen erlassen haben.“ (l.c. p. 36.)

With money of account we are back on the side of the equivalent. A name is an example of a form extraneous to its content. Fetish character of this highest developed form. Necessity of this.

This is the climax of this section. When Marx returns now to the relative form of value, he no longer pushes the derivation of the price form forward, but he discusses the (qualitative and quantitative) discrepancies, incongruities, between value and price.

Question 429 (*Tue Oct 5–Thu Oct 7*) *At the beginning of chapter Three, pages 188–195:1 Marx shows how the development of the equivalent form of value causes the relative form of value to develop, and this again acts on the equivalent form, and this acts back, etc. Shortly describe the steps of this back-and-forth motion.*

3.1.g. [Incongruities between Value and Price]

First quantitative incongruity. This is what we called back-and-forth step (6a).

195:2/o The price of a commodity is the money name of the labor objectified in it. It is therefore a tautology to say that the commodity, and the amount of money named by its price, are equivalents.⁶³ The relative expression of the value of a commodity is always the expression of the equivalence of two commodities.

⁶³ ‘Or indeed it must be admitted that a million in money is worth more than an equal value in commodities’ (Le Trosne, op. cit., p. 919), and hence ‘that one value is worth more than another value which is equal to it’.

116:1/o Der Preis ist der Geldname der in der Ware vergegenständlichten Arbeit. Die Äquivalenz der Ware und des Geldquants, dessen Name ihr Preis ist, ist daher eine Tautologie,⁶³ wie ja überhaupt der relative Wertausdruck einer Ware stets der Ausdruck der Äquivalenz zweier Waren ist.

⁶³ „Oder man muß schon zugeben, daß eine Million in Geld mehr wert ist als ein gleicher Wert in Waren“ (Le Trosne, l.c. p. 919), also „daß ein Wert mehr wert ist als ein gleicher anderer.“

↑ If I express the magnitude of the value of a commodity in money, then it follows tautologically that this amount of money is exchangeable (Marx uses: equivalent) with the commodity (because this is exactly how I express the value of my commodity). ↓ However the opposite does not follow: if a commodity is exchangeable for a certain amount of money, this amount of money need not necessarily be an expression of the value of that commodity. (For instance in a fire sale, it may be the expression of the financial distress of its owner.) Let’s try an illustration: if the weather is good, people will take a walk on the beach. However that there are many people on the beach does not necessarily mean that the weather is good (it may be July 4th or D-day).

But although price, being the exponent of the magnitude of a commodity’s value, is the exponent of its exchange ratio with money, it does not follow that the exponent of its exchange ratio is necessarily the exponent of the magnitude of the commodity’s value.

Wenn aber der Preis als Exponent der Wertgröße der Ware Exponent ihres Austauschverhältnisses mit Geld, so folgt nicht umgekehrt, daß der Exponent ihres Austauschverhältnisses mit Geld notwendig der Exponent ihrer Wertgröße ist.

↑ Exponent = that which exposes, indicator.

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There is no mechanism which causes the value of those things to rise that are traded at a high price. On the contrary.

There is a fundamental asymmetry between form and content. While the content has to express itself in the form, the form may also incorporate extraneous influences. This is due to the openness of the world and, more specifically, in the social realm, due to the fact that societies are composed of individuals who make their own decisions. Other influences may be active which override the economic laws which Marx is developing here.

The law that values express their magnitude in the quantity of prices is therefore only a tendential law. The socially necessary labor-time in a commodity is the most enduring factor regulating its exchange-relation with money, but this exchange-relation may also be influenced by factors that have nothing to do with labor-time.

Suppose equal quantities of socially necessary labor are represented by 1 quarter of wheat and £2 (approximately 1/2 ounce of gold), respectively. £2 is the expression in money of the magnitude of the value of the quarter of wheat. It is its price. If circumstances now allow this price to be raised to £3, or compel it to be reduced to £1, then although £1 and £3 may be too small or too large to give proper expression to the magnitude of the wheat's value, they are nevertheless prices of the wheat, for they are, in the first place, the form of its value, i.e. money, and, in the second place, the exponents of its exchange-ratio with money. If the conditions of production, or the productivity of labor, remain constant, the same amount of social labor-time must be expended on the reproduction of a quarter of wheat, both before and after the change in price. This situation is not dependent on the will of the wheat producer or that of the owners of the other commodities. The magnitude of the value of a commodity therefore expresses a necessary relation to social labor-time which is inherent in the process by which the commodity is produced.

The socially necessary labor-time in a commodity cannot be changed by decree, and also not by the exchange decisions of the commodity traders; this is why Marx calls the magnitude of value a "necessary relation." Exchange relations however *can* be changed by voluntary acts. People are free to exchange things at exchange relations that do not conform with the value relations, but they cannot change those value relations themselves.

With the transformation of the magnitude of value into the price, this necessary relation appears as the exchange ratio between a given commodity and the money commodity which exists outside it. In this relation,

Gesellschaftlich notwendige Arbeit von gleicher Größe stelle sich in 1 Quarter Weizen und in 2 Pfd.St. (ungefähr 1/2 Unze Gold) dar. Die 2 Pfd.St. sind Geldausdruck der Wertgröße des Quarter Weizens, oder sein Preis. Erlauben nun die Umstände, ihn zu 3 Pfd.St., oder zwingen sie, ihn zu 1 Pfd.St. zu notieren, so sind 1 Pfd.St. und 3 Pfd.St. als Ausdrücke der Wertgröße des Weizens zu klein oder zu groß, aber sie sind dennoch Preise desselben, denn erstens sind sie seine Wertform, Geld, und zweitens Exponenten seines Austauschverhältnisses mit Geld. Bei gleichbleibenden Produktionsbedingungen oder gleichbleibender Produktivkraft der Arbeit muß nach wie vor zur Reproduktion des Quarter Weizen gleich viel gesellschaftliche Arbeitszeit verausgabt werden. Dieser Umstand hängt vom Willen weder des Weizenproduzenten noch der andren Warenbesitzer ab. Die Wertgröße der Ware drückt also ein notwendiges, ihrem Bildungsprozeß immanentes Verhältnis zur gesellschaftlichen Arbeitszeit aus.

Mit der Verwandlung der Wertgröße in Preis erscheint dies notwendige Verhältnis als Austauschverhältnis einer Ware mit der außer ihr existierenden Geldware. In diesem Verhältnis kann sich aber ebensowohl die

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however, not only the magnitude of value of the commodity may express itself, but also the greater or lesser quantity in which it can be sold under the given circumstances. The possibility, therefore, of a quantitative incongruity between price and magnitude of value, i.e. the possibility that the price may diverge from the magnitude of value, is inherent in the price form itself.

↑ Marx argues that such incongruity is inherent in the form of value because price is the *exterior* expression of the *immanent* value, and this exterior expression is open to other influences as well.

↓ But then he goes further and says this discrepancy between value and price is not a defect but a necessity for private commodity production.

This is not a defect but, on the contrary, it makes this form the adequate form for a mode of production whose laws can only assert themselves as the blindly operating law of averages of constant irregularities.

Wertgröße der Ware ausdrücken, als das Mehr oder Minder, worin sie unter gegebenen Umständen veräußerlich ist. Die Möglichkeit quantitativer Inkongruenz zwischen Preis und Wertgröße, oder der Abweichung des Preises von der Wertgröße, liegt also in der Preisform selbst.

Es ist dies kein Mangel dieser Form, sondern macht sie umgekehrt zur adäquaten Form einer Produktionsweise, worin sich die Regel nur als blindwirkendes Durchschnittsgesetz der Regellosigkeit durchsetzen kann.

These deviations of value and price are the mechanism by which the general necessities of the general division of labor are imposed on the individual producers and consumers.

Question 430 (Tue Oct 5–Thu Oct 7) Why is it not a defect but a sign that the price form is “admirably” adapted to commodity production, as the Moore-Aveling translation says, that prices can deviate from values due to demand and supply?

This is already the second thing which looks like a flaw but which turns out to be necessary: after the variability of the value of gold now also the deviation of commodity prices from their values.

Exam Question 431 Which two aspects of the function of money as a measure of value first look like flaws but on a closer look turn out to be necessary? 2008fa, 2007SP, 2005fa, 2004fa, 2003fa.

Next comes what we called back-and-forth step (6b):

197:1 The price-form, however, is not only compatible with the possibility of a quantitative incongruity between magnitude of value and price, i.e. between the magnitude of value and its own expression in money, but it may also harbor a qualitative contradiction, with the result that price ceases altogether to express value, despite the fact that money is nothing but the value-form of commodities. Things which in and for themselves are not commodities, things such as conscience, honor, etc., can be offered for sale by their holders, and thus ac-

117:1 Die Preisform läßt jedoch nicht nur die Möglichkeit quantitativer Inkongruenz zwischen Wertgröße und Preis, d.h. zwischen der Wertgröße und ihrem eignen Geldausdruck zu, sondern kann einen qualitativen Widerspruch beherbergen, so daß der Preis überhaupt aufhört, Wertausdruck zu sein, obgleich Geld nur die Wertform der Waren ist. Dinge, die an und für sich keine Waren sind, z.B. Gewissen, Ehre usw., können ihren Besitzern für Geld feil sein und so durch ihren Preis die Warenform erhalten. Ein Ding kann daher formell einen

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quire the form of commodities through their price. Hence a thing can, formally speaking, have a price without having a value. The expression of price is in this case imaginary, like certain quantities in mathematics. On the other hand, the imaginary price-form may also conceal a real value-relation or one derived from it, as for instance the price of uncultivated land, which is without value because no human labor is objectified in it.

After the quantitative now the qualitative incongruity: once the price-form of commodities is developed, also things which do not have a value can obtain a price.

This possibility, that things can obtain a price from circulation, is also expressed in 229:0c/o:

“Since money does not reveal what has been converted into it, everything, commodity or not, is convertible into money.”

Here is also a relevant passage from the Wage chapter:

In the expression ‘value of labor’, the concept of value is not only altogether extinguished, but it is turned into its opposite. It is an imaginary expression, like, say, ‘value of the earth’. However these imaginary expressions arise from the relations of production themselves. They are categories for the forms of appearance of essential relations. That in their appearance things are often presented in an inverted way is something familiar in just about every science, except in political economy. (677:2).

A systematic analysis of the imaginary expressions: value of labor, value of the earth, value of money as capital (interest), etc., will be given in Part VI of *Capital I* and Part VII of *Capital III*.

The comparison with imaginary numbers will also be taken up in chapter Nineteen, p. 677:2.

On the other hand, such a price may still hide an underlying value relation. That the price of labor hides the value of labor-power is the most prominent example here, this will be discussed on p. 465 below. Other examples: price of land hides ground rent, capitalization gives a fictitious value to a claim on an income, etc.

In *Resultate* 1072:4/o, Marx gives a slightly stronger argument, claiming that every price must be reducible to value:

Every *price* must be reducible to a *value*, because price, in and for itself, is nothing but the monetary expression of value. The circumstance that the actual price of a commodity may stand above or below the level corresponding to its value does not alter the fact that prices are an expression of the values of the commodities, even though the expression is in this case *quantitatively* too large or too small—*quantitatively* incongruent. But here in the *price of labor* the lack of congruence is *qualitative*.

Question 433 (Tue Oct 5–Thu Oct 7) Discuss the phenomena which Marx refers to as “quantitative and qualitative incongruities between price and value” 2007fa, 2007SP, 2004fa, 2003fa, 1998WI.

Preis haben, ohne einen Wert zu haben. Der Preisausdruck wird hier imaginär wie gewisse Größen der Mathematik. Andererseits kann auch die imaginäre Preisform, wie z.B. der Preis des unkultivierten Bodens, der keinen Wert hat, weil keine menschliche Arbeit in ihm vergegenständlicht ist, ein wirkliches Wertverhältnis oder von ihm abgeleitete Beziehung verbergen.

3. Money or the Circulation of Commodities

3.1.h. [From Measure of Value to Means of Circulation]

In order to make the transition to the function of money as means of circulation, Marx looks at what the price tag means operationally. This is the final back-and-forth step (7). If the price of one ton of iron is one ounce of gold, then this obligates the owner of iron to give one ton of iron for each ounce of gold the gold owner is willing to pay (as long as the owner of iron has this much iron in stock, and there may be other circumstances where this obligation is voided). Marx says that one ounce of gold is “directly exchangeable for iron.”

197:2/o Just as any other relative form of value, the price is the expression of the value of a commodity. It expresses the value of a ton of iron, for instance, by asserting that a given quantity of the equivalent, an ounce of gold for instance, is directly exchangeable with iron. But the price form by no means asserts the converse, that iron is directly exchangeable with gold.

↑ Marx throws in the remark that the price tag does not make iron directly exchangeable for gold. Every child knows that the owner of iron cannot approach the owner of money and demand one ounce of gold for each ton of iron the iron owner is willing to give him. Why does Marx mention here this trivial fact? Because the producer of iron finds himself exactly in the position of having to exchange his iron for all other commodities, i.e., for him, iron must indeed serve as the general equivalent. Marx said this already in 180:2. At that earlier point, this was posed as an impossibility (all commodities cannot be general equivalent at the same time). ↓ But now a solution presents itself: if the producers first convert their ordinary commodities into money, then they will indeed hold a general equivalent in their hands.

In order to take effect in practice as an exchange-value, the commodity must therefore divest itself of its natural physical body. It must transform itself from merely imagined gold into real gold, although this act of transubstantiation may be more ‘burdensome’ for it than the transition from necessity to freedom for the Hegelian ‘concept’, the casting of his shell for a lobster, or the putting-off of the old Adam for Saint Jerome.⁶⁴

↑ Marx emphasizes here the difficulties to sell commodities which are, of course, the necessary counterpart of the ease with which money buys. ↓ Now Marx repeats on a more formal, abstract level what he just said:

Alongside its actual shape (iron, for instance), a commodity may possess a notional value shape or imagined gold shape in the form of its price, but it cannot simultaneously be both real iron and real gold. To establish its price it is sufficient for it to be equated with gold in the imagination. But to enable it to render its owner the service

117:2/o Wie die relative Wertform überhaupt, drückt der Preis den Wert einer Ware, z.B. einer Tonne Eisen, dadurch aus, daß ein bestimmtes Quantum Äquivalent, z.B. eine Unze Gold, unmittelbar austauschbar mit Eisen, aber keineswegs umgekehrt, daß seinerseits das Eisen unmittelbar austauschbar mit Gold ist.

Um also praktisch die Wirkung eines Tauschwerts auszuüben, muß die Ware ihren natürlichen Leib abstreifen, sich aus nur vorgestelltem Gold in wirkliches Gold verwandeln, obgleich diese Transsubstantiation ihr „saurer“ ankommen mag als dem Hegelschen „Begriff“ der Übergang aus der Notwendigkeit in die Freiheit oder einem Hummer das Sprengen seiner Schale oder dem Kirchenvater Hieronymus das Abstreifen des alten Adam.⁶⁴

Neben ihrer reellen Gestalt, Eisen z.B., kann die Ware im Preise ideelle Wertgestalt oder vorgestellte Goldgestalt besitzen, aber sie kann nicht zugleich wirklich Eisen und wirklich Gold sein. Für ihre Preisgebung genügt es, vorgestelltes Gold ihr gleichzusetzen. Durch Gold ist sie zu ersetzen, damit sie ihrem Besitzer den Dienst eines all-

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of a universal equivalent, it must be actually replaced by gold. If the owner of the iron were to go to the owner of some other earthly commodity, and were to refer him to the price of iron as its money form, he would receive as answer the terrestrial equivalent of the answer given by St. Peter in heaven to Dante, when the latter recited the creed:

'Right well hath now been tested
this coin's alloy and weight—
but tell me if thou hast it in thy purse'
(Dante, *Divina Commedia, Paradiso, Canto XXIV*, lines 84–5)

gemeinen Äquivalents leiste. Träte der Besitzer des Eisens z.B. dem Besitzer einer weltlustigen Ware gegenüber und verwiese ihn auf den Eisenpreis, der Geldform sei, so würde der Weltlustige antworten, wie im Himmel der heilige Petrus dem Dante, der ihm die Glaubensformel hergesagt:

„Assai bene è trascorsa
D esta moneta già la lega e'l peso,
Ma dimmi se tu l'hai nella tua borsa.“
(Dante, *Divina Commedia, Paradiso, Canto XXIV*, lines 84–5)

Question 435 (*Tue Oct 5–Thu Oct 7*) Every child knows that a commodity cannot simultaneously be both real iron and real gold. What did Marx mean to say when he wrote this sentence here?

This passage brings a new aspect of the money form: in the presence of money, direct barter becomes more difficult. The dominant role of money as General equivalent deprives the other commodities of the capacity to serve as the expressions of value themselves. See 161:1! This implies that each commodity *must* be converted into money before it can act as exchange-value itself. The conclusion is: although the pricing of the commodity only required imagined money, this pricing implies that commodities must be turned into real gold in order to change hands. This gives the transition from the measure of value to the means of circulation.

198:1 The price form implies both the possibility to convert the commodities into money and the necessity of this conversion. On the other hand, gold serves as the notional measure of value only because it is already present as the money commodity in the process of exchange.

118:1 Die Preisform schließt die Veräußerlichkeit der Waren gegen Geld und die Notwendigkeit dieser Veräußerung ein. Andererseits funktioniert Gold nur als ideelles Wertmaß, weil es sich bereits im Austauschprozeß als Geldware umtreibt.

This succinct formulation leaves out many intermediary steps. The price form implies

1. the *possibility* of alienation (*Veräußerlichkeit*) of the commodity against money; i.e., the only condition necessary for someone to get the commodity is that he gives the money. Because of this possibility, commodity producers will no longer accept non-money commodities in exchange for their products. I.e., the possibility of alienation implies the
2. *necessity* of alienation (*Veräußerung*): Every commodity must be turned into money before it can be converted into other commodities. That means, the price form, which the commodities obtained without money actually being present, requires them to be exchanged against real money. Is this money available? The answer is yes, because
3. “on the other hand,” gold is the material in which commodities express their values only because gold is already present in circulation. I.e., the task implied in the price form arises together with the means to solve this task.

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Question 437 (Tue Oct 5–Thu Oct 7) If gold serves as the notional measure of value only because it is already present as the money commodity in the process of exchange, why does Marx then say that the function of measure of value, and not the function as means of circulation, is the first function of money?

In the notional measure of values lurks therefore hard cash. | Im ideellen Maß der Werte lauert daher das harte Geld.

Question 439 (Tue Oct 5–Thu Oct 7) Describe the relationship between the function of money as measure of value and as means of circulation in Marx's theory and in modern mainstream monetary theories. 2008fa, 2004fa.

3.2. Means of Circulation

While the first section of chapter Three was a continuation of the development in section 1.3 of chapter One, this second section here is a continuation of chapter Two.

3.2.a. The Metamorphosis of Commodities

The word “metamorphosis” denotes the passing of the same entity through different forms (metamorphosis of a butterfly).

After some general remarks about *contradictions* in the first paragraph 198:2, the three next paragraphs 198:3–199:2 argue that one must look at the circulation process from its *form side*. After this Marx shows how these formal aspects interface with the purposeful individual activity of the commodity traders. A famous passage that Say's law need not hold, i.e., that crises are possible, concludes subsection 3.2.a.

[Preliminary Remarks about Contradiction]

Marx begins with the following metaphor: the exchange process provides a stage where the contradictions of the direct barter can play themselves out, just as an elliptical orbit allows the contradictions between gravity and inertia to play themselves out. The very first sentence ties into the passage of chapter Two, pp. 179:1–180:3–181:1, discussing the contradictions of the direct barter and their resolution:

198:2 We saw that the process of exchanging commodities contains contradictory and mutually exclusive relationships. | 118:2/o Man sah, daß der Austauschprozeß der Waren widersprechende und einander ausschließende Beziehungen einschließt.

Question 440 (Fri Oct 8–Mon Oct 18) Describe the contradictory and mutually exclusive relationships in the process of exchanging commodities. 2009fa, 2008SP, 2007fa.

↓ The next sentence stresses that the development of the value forms does not *resolve* the contradictions, but merely give them room to move:

Whereas the development of the commodity does not resolve these contradictions, it provides the form in which they can move. | Die Entwicklung der Ware hebt diese Widersprüche nicht auf, schafft aber die Form, worin sie sich bewegen können.

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The splitting of the barter into sale and purchase, made possible by the separation of the world of commodities into ordinary commodities and money, gives room for the movement of the contradictory aspects included in the barter.

Marx stresses throughout this section that the activity on the market place must be seen “from the form side.” I.e., what is important about the market events is not whether the trades are better or poorer bargains for the market participants, or the transaction costs, but the information which these surface activities send to the producers watching the market. The interest of the traders is relevant only in so far as it promotes or hinders these formal aspects of their activities. If the market fails to provide an appropriate form for the underlying relations of production, then it will not continue to exist; the interests of the traders are here secondary. If the traders come up with technical devices facilitating their practical activities, which are such that they would inhibit the function of the market as the agency giving direction to the economy, then these technical devices will probably be obstructed or prohibited.

This is generally the method how real contradictions resolve themselves.

Dies ist überhaupt die Methode, worin sich wirkliche Widersprüche lösen.

↑ A true resolution of a contradiction would be a structural change which makes the contradiction go away. Marx implies here that “real” contradictions do not go away. If they find ways of actualizing themselves without erupting into a crisis, this is the closest they can come to “resolve” themselves. In order to actualize itself (or, as the translation below says, assert itself) a contradiction needs a form which allows all contradictory aspects to assert themselves. This actualization is not a resolution because the underlying contradiction still persists. For instance, the separation of the direct barter into sale and purchase is a form which allows both contradictory aspects of the barter to be achieved. But we will see in 208:2/o that the separation between sale and purchase makes *crises* possible, i.e., it does not eliminate the contradiction as a contradiction.

For instance, it is a contradiction that a material body constantly falls towards another and at the same time constantly flies away from it. The ellipse is one of the forms of motion in which this contradiction both asserts itself and resolves itself.

Es ist z.B. ein Widerspruch, daß ein Körper beständig in einen andren fällt und ebenso beständig von ihm wegflieht. Die Ellipse ist eine der Bewegungsformen, worin dieser Widerspruch sich ebensosehr verwirklicht als löst.

The Fowkes translation shifts the contradiction from the physical process to the description of the physical process: “For instance, it is a contradiction to depict a material body as constantly falling

towards another and at the same time constantly flying away from it.” And in both the sentence before and the one after it, Fowkes’s formulation is not that contradictions resolve themselves,

but they are resolved: “This is, in general, the way in which real contradictions are resolved.” “The ellipse is a form of motion within which this contradiction is both realized and resolved.”

A distinction between surface and core is implicit in this example. Underneath, in the sphere of the real, two conflicting forces are at work: gravity which makes bodies fall into each other, and inertia, which forces bodies to maintain the state of motion they already have. In an elliptical orbit, sometimes inertia and sometimes gravity is predominant (unless they balance each other exactly at every point, in which case the orbit is a circle, or gravity overwhelms inertia, in which case it is a parabola). This is analogical to the metamorphosis of commodities, where, as we will see shortly, sometimes the use-value and sometimes the value is predominant. The example of the ellipse therefore sets the stage for Marx’s investigation of the exchange process as the surface mediation of underlying contradictory tendencies.

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Question 442 (*Fri Oct 8–Mon Oct 18*) *If physics yields such good examples for dialectics, why are modern physicists not using dialectics?*

[Looking at the Circulation Process from the Form Side]

Let us therefore first look at this process going on underneath. On the most general level, this underlying process is the social metabolism of use-values. In every society with a division of labor, the products must change hands after they are produced. Everybody parts with his or her own product and receives the products of others.

198:3/o In so far as the process of exchange transfers commodities from hands in which they are non-use-values to hands in which they are use-values, it is a process of social metabolism. The product of one kind of useful labor replaces that of another.

Not in every society is this process mediated by an exchange of products. The object of the present investigation is the *social form* in which this transfer is carried out in a commodity-producing society. I.e., Marx asks here which motivations, behaviors, and institutions on the surface of the economy induce the economic agents to perform the actions necessary to keep this society-wide metabolism going. The next passage clarifies that the content of the process is not of interest here, only its form:

Once a commodity has arrived at a place where it can serve as use-value, it falls out of the sphere of exchange into that of consumption. Only the exchange is of interest to us here. Therefore we must look at the whole process from the form side. We must investigate the form change—or the metamorphosis—of commodities, which mediates the social metabolism.

A similar formulation can be found in chapter Four, 247:2.

In the last sentence of the preceding paragraph, the process of selling and buying is not called “exchanges” but “metamorphoses” or “form changes” of the commodities (to be understood in the sense of “switching forms” or “migrating from one form to the next”).

Question 443 (*Fri Oct 8–Mon Oct 18*) *What does Marx mean when he says in 198:3/o: one must look at the circulation of commodities from its form side? 2009fa, 2008fa, 2007SP, 2005fa.*

↓ If one looks at the market transactions from their form side one must avoid the following mistake: one should not consider the surface activities by which the social metabolism is mediated as *exchanges*. Marx stresses that a sale or purchase has a quite different character than a barter between two ordinary commodities. People’s thought processes and decision criteria are different when they make a sale or purchase than when they barter two commodities against each other.

199:1 This change of form has been very imperfectly grasped as yet, owing to the circumstance that, quite apart from the lack of clarity in the concept of value itself, every

119:1 Soweit der Austauschprozeß Waren aus der Hand, worin sie Nicht-Gebrauchs-werte, in die Hand überträgt, worin sie Ge- brauchswerte, ist er gesellschaftlicher Stoff- wechsel. Das Produkt einer nützlichen Ar- beitsweise ersetzt das der andren.

Einmal angelangt zur Stelle, wo sie als Gebrauchswert dient, fällt die Ware in die Sphäre der Konsumption aus der Sphäre des Warentauschs. Letztre allein interessiert uns hier. Wir haben also den ganzen Prozeß nach der Formseite zu betrachten, also nur den Formwechsel oder die Metamorphose der Waren, welche den gesellschaftlichen Stoffwechsel vermittelt.

119:2 Die durchaus mangelhafte Auffas- sung dieses Formwechsels ist, abgesehen von Unklarheit über den Wertbegriff selbst, dem Umstand geschuldet, daß jeder Form-

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change of form in a commodity results from the exchange of two commodities, namely an ordinary commodity and the money commodity. If we keep in mind only this material aspect, that is, the exchange of the commodity for gold, we overlook the very thing we ought to observe, namely what has happened to the form of the commodity. We do not see that gold, as a mere commodity, is not money, and that the other commodities, through their prices, relate themselves to gold as the their *own monetary shape*.

↓ Here is this same passage in the French edition (with a translation from the French edition). The French is clearer than both English and German versions.

[mew] The formal aspect of this movement is a little difficult to grasp, since every form change of one commodity is brought about by the exchange of two commodities. An example of such a form change is a commodity stripping off its useful form and putting on its money form. How does this happen? By its exchange with gold. A simple exchange of two commodities, if we view it as a tangible fact; but it is necessary to look at it more closely.

wechsel einer Ware sich vollzieht im Austausch zweier Waren, einer gemeinen Ware und der Geldware. Hält man an diesem stofflichen Moment, dem Austausch von Ware mit Gold, allein fest, so übersieht man grade, was man sehn soll, nämlich was sich mit der Form zuträgt. Man übersieht, daß Gold als bloße Ware nicht Geld ist und daß die andren Waren sich selbst in ihren Preisen auf Gold als ihre *eigne Geldgestalt* beziehen.

[megaiI/7]81:2 Ce côté morphologique du mouvement est un peu difficile à saisir, puisque tout changement de forme d'une marchandise s'effectue par l'échange de deux marchandises. Une marchandise dépouille, par exemple, sa form usuelle pur revêtir sa forme monnaie. Comment cela arrive-t-il? Par son échange avec l'or. Simple échange de deux marchandises, voilà le fait palpable; mais il faut y regarder de plus pres.

Question 444 (*Fri Oct 8–Mon Oct 18*) *The empirical appearance of the processes of sale and purchase encourages a naive mistake, which makes it difficult to understand the metamorphosis of the commodity. Which mistake?* [2009fa](#), [2008fa](#), [2008SP](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#).

Every form change of a commodity is accomplished by an *exchange* of two things, an ordinary commodity and the money commodity. Nevertheless, this form change cannot be understood if one equates it to a barter between two different commodities on the market. In a barter, one has to divide one's attention between two commodities, that which one gives away and that which one receives. In C–M–C, the sale is exclusively devoted to the realization of the value of the commodity sold, without interference of the use-value which one intends to purchase afterwards, and the purchase is not burdened with the use-value which as sold to get the money.

Now that we know what circulation is *not*, Marx begins to develop what circulation *is*. Before he can explain circulation, he first has to explain money, an indispensable ingredient in the circulation process. ↓ Marx begins with the observation that money is created in the circulation process.

199:2 Commodities first enter into exchange ungilded, without a sugar coating, in their original home-grown shapes. The process of exchange, however, produces a duplication of the commodity into commodity

119:3 Die Waren gehn zunächst unvergoldet, unverzuckert, wie der Kamm ihnen gewachsen ist, in den Austauschprozeß ein. Er produziert eine Verdopplung der Ware in Ware und Geld, einen äußeren Gegensatz,

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and money, an external opposition in which the commodities represent their internal opposition between use-value and value.

↑ This is a reference to the social “deed” preparatory to circulation, discussed in chapter Two, 180:3–181:1. This deed allows the inner contradiction between use-value and exchange-value of each individual commodity to be represented on the surface by the contradiction between commodities and money. This contradiction already exists between the Simple relative and equivalent form, as discussed in 153:1, and the logic of that earlier place is very similar to here.

In this opposition, commodities as use-values confront money as exchange-value. It is true, both sides of this opposition are commodities, i.e., unities of use-value and value. But this unity of differences represents itself at each of the two opposite poles in an opposite way, and therefore at the same time represents their mutual interrelationship. The commodity is in actuality a use-value—the fact that it is a value appears only notionally, in its price, that puts it in relation with gold as the actual shape of its value. On the other hand, gold counts only as the materialization of value, as money. In its actuality it is therefore exchange-value. Its use-value appears only notionally in the series of relative value-expressions, through which it refers to all other commodities as the scope of its actual useful shapes.

↑ In other words, the use-value of gold for filling teeth is ignored. The French edition of *Capital*, 81:3, explains very well how the relation between commodity and money differs from that between two ordinary commodities:

Gold occupies one pole, and all the useful articles the opposite pole. On both sides are commodities, unities of use-value and exchange-value. But this unity of opposites is, on these two extremes, represented in two manners inverse to each other. The useful form of the commodity is its actual form, while its exchange-value is expressed only notionally, in imagined gold, by its price. By contrast, the natural, metallic form of *gold* is the form of its general exchangeability, its value form, while its use-value is only notionally expressed in the series of commodities acting as its equivalents. That is why a commodity, when it is exchanged against gold, changes at the same time its useful form into its value form. When gold

worin sie ihren immanenten Gegensatz von Gebrauchswert und Wert darstellen.

In diesem Gegensatz treten die Waren als Gebrauchswerte dem Geld als Tauschwert gegenüber. Andrerseits sind beide Seiten des Gegensatzes Waren, also Einheiten von Gebrauchswert und Wert. Aber diese Einheit von Unterschieden stellt sich auf jedem der beiden Pole umgekehrt dar und stellt dadurch zugleich deren Wechselbeziehung dar. Die Ware ist reell Gebrauchswert, ihr Wertsein erscheint nur ideell im Preis, der sie auf das gegenüberstehende Gold als ihre reelle Wertgestalt bezieht. Umgekehrt gilt das Goldmaterial nur als Wertmateriat, Geld. Es ist reell daher Tauschwert. Sein Gebrauchswert erscheint nur noch ideell in der Reihe der relativen Wertausdrücke, worin es sich auf die gegenüberstehenden Waren als den Umkreis seiner reellen Gebrauchsformen bezieht.

L'or occupe un pôle, tous les articles utiles le pôle opposé. Des deux côtés, il y a marchandise, unité de valeur d'usage et de valeur d'échange. Mais cette unité de contraires se représente inversement aux deux extrêmes. La forme usuelle de la marchandise en est la forme réelle, tandis que sa valeur d'échange n'est exprimée qu'idéalement, en or imaginé, par son prix. La forme naturelle, métallique de l'or est au contraire sa forme d'échangeabilité générale, sa forme valeur, tandis que sa valeur d'usage n'est exprimée qu'idéalement dans la série des marchandises qui figurent comme ses équivalents. Or, quand une marchandise s'échange contre de l'or, elle change du même coup sa forme usuelle en forme valeur. Quand

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is exchanged against a commodity, then it changes, with that, its value form into a useful form.

l'or s'échange contre une marchandise, il change de même sa forme valeur en forme usuelle.

In comparison with the French, the German and English editions contain additional information. They are overloaded and therefore more difficult to read. At the beginning of the paragraph, the remark is added that this exterior opposition commodity—money is a product of the exchange process and represents the interior opposition use-value—exchange-value in every commodity. The German edition has the following additional sentence at the end:

These opposite forms of the commodities are the actual forms of motion of the process of exchange.

Diese gegensätzlichen Formen der Waren sind die wirklichen Bewegungsformen ihres Austauschprozesses.

One should note how Marx argues here. The separation of barter into sale and purchase is not described as a device deliberately introduced by the market participants in order to resolve the practical difficulties of direct barter. Rather, money has been introduced as a surface expression of the relations of production in the core of the economy. Money functions as “form of value.” Following our above definition of form of value, money is a surface relation setting the stage for individual behaviors through which the value relations between the producers, i.e., the pooling of their private labors as abstract labor, are actualized and reproduced. With the existence of money, the contradiction between use-value and exchange-value inside every commodity is externalized in the separation of the world of commodities into ordinary commodities and money.

When the commodity goes through the exchange process, it passes through these two opposite commodity forms. The terminology “form of motion” reminds of the example of the ellipse: Just as in an ellipse, sometimes gravity and sometimes inertia is dominant, so in the exchange of the commodities, first the exchange-value and then the use-value are dominant.

After this discussion of the two way-stations of the circulation process,¹⁹ Money and ordinary commodity, Marx discusses now the process itself.

199:3/o Let us now accompany the owner of some commodity, say our old friend the linen weaver, to the scene of action, the market. Her commodity, 20 yards of linen, has a definite price, £2.

119:4/o Begleiten wir nun irgendeinen Warenbesitzer, unsren altbekannten Leinweber z.B., zur Szene des Austauschprozesses, dem Warenmarkt. Seine Ware, 20 Ellen Leinwand, ist preisbestimmt. Ihr Preis ist 2 Pf.St.

↑ I.e., the linen weaver finds this price on the market.

She exchanges it for the £2, and then, being a woman of the old school, she parts with the £2 in return for a family Bible of the same price.

Er tauscht sie aus gegen 2 Pf.St. und, Mann von altem Schrot und Korn, tauscht die 2 Pf.St. wieder aus gegen eine Familienbibel vom selben Preis.

↑ Here Marx uses the word “exchange” because he describes the practical actions. A little earlier he had said that although it was physically an exchange between two things, the commodity involved (linen or bible) and money, it should be considered a form change of the commodity rather than an exchange. The next sentence redescribes this activity as a form change. (This illustrates what he meant when he said in 198:3/o that one has to look at the process from its form side.)

The linen, for her nothing but a commodity, carrier of value, is disembodied in ex-

Die Leinwand, für ihn nur Ware, Wertträger, wird entäußert gegen Gold, ihre Wertgestalt,

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change for gold, which is the material shape of the linen's value. Then it is taken out of this shape and re-embodied, externalized, again in exchange for another commodity, the Bible, a commodity destined to enter the weaver's house as an object of utility and there to satisfy her family's need for edification.

Marx uses here the pair of words "disembody" or "transfigure" (*entäußern*), which means, strip off its external shell, i.e., selling, and "re-embody" or "re-externalize" (*rückveräußern*), the resumption of an external form, i.e., buying. The words *entäußern* and *veräußern* are used in the same meanings also in 212:1. But elsewhere, Marx plays on the paradox that the word *veräußern* has in German also the meaning "alienate by sale" ("alienate" here in the literal sense of making it the property of a stranger). More details in the translation note to 203:3/oo.

The process of exchange is therefore accomplished through two opposite yet mutually complementary metamorphoses—the conversion of the commodity into money, and the re-conversion of the money into a commodity.⁶⁵

Seen from the form side, the weaver does not give away her commodity, but she still has the same commodity in her hands, which only changes its form. It first burns into money-ashes and then rises from these ashes in the shape of the use-value which she can actually use:

⁶⁵ 'As Heracleitus says, all things exchange for fire, and fire for all things, just as gold does for goods and goods for gold' (F. Lassalle, *Die Philosophie Herakleitos des Dunkeln*, Berlin, 1858, Vol. I, p. 222.) Lassalle, in his note on this passage, p. 224, n. 3, erroneously declares money to be a mere symbol of value.

und aus dieser Gestalt rückveräußert gegen eine andre Ware, die Bibel, die aber als Gebrauchsgegenstand ins Weberhaus wandern und dort Erbauungsbedürfnisse befriedigen soll.

Der Austauschprozeß der Ware vollzieht sich also in zwei entgegengesetzten und einander ergänzenden Metamorphosen—Verwandlung der Ware in Geld und ihre Rückverwandlung aus Geld in Ware.⁶⁵

⁶⁵ „Aus dem ... Feuer aber wird Alles, sagt Heraklit, und Feuer aus Allem, gleich wie aus Gold Güter und aus Gütern Gold.“ (F. Lassalle, „*Die Philosophie Herakleitos des Dunkeln*“, Berlin 1858, Bd. I, p. 222.) Lassalles Note zu dieser Stelle, p. 224, n. 3, erklärt das Geld unrichtig für bloßes Wertzeichen.

↑ While Heracleitus uses the metaphor of burning, Marx himself uses the metaphor of a chrysalis in 159:2/oo and 227:3/oo, and the metaphor of a larva in 210:2/oo.

Question 445 (Fri Oct 8–Mon Oct 18) Come up with other metaphors and see what insights can be gained from them.

So far, we argued by a transcendental argument that the exchange process must be viewed from its form side, and arrived at the above form change by a redescription of the exchange process. Now Marx looks whether we can recognize the elements of this metamorphosis in the practical activities of the commodity exchangers:

Question 446 (Fri Oct 8–Mon Oct 18) Enumerate four other transcendental arguments in Capital.

The moments of the metamorphosis of the commodity are at the same time transactions effected by the commodity owner—

Die Momente der Warenmetamorphose sind zugleich Händel des Warenbesitzers—Verkauf, Austausch der Ware mit Geld; Kauf, Aus-

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selling, or the exchange of the commodity for money, buying, or the exchange of the money for a commodity, and the unity of the two acts: selling in order to buy.

After producing her commodities, the commodity producer must go to market and engage in two different transactions, a sale and a purchase, in order to obtain the products she needs. She has come to depend on it that her practical dealing and wheeling on the market will, as a rule, lead to the desired results: she will find a buyer for her wares and she will be able to purchase the use-values she needs. This exchange of use-values is her final aim.

200:1 The end result of the transaction, from the point of view of the weaver, is that instead of being in possession of the linen, she now has the Bible; instead of her original commodity, she now possesses another of the same value but of different utility. She procures her other means of subsistence and production in a similar way. For the weaver, the whole process accomplishes nothing more than the exchange of the product of her labor for the product of someone else's, nothing more than an exchange of products.

It is a transformation of her labor from linen-weaving into the kinds of labor that fulfill her various needs. It is of little concern to her that the market routine is also an evolution of the forms of the value of the commodity, despite the fact that she would not be able to achieve her individually desired outcome if it were otherwise. We, however, will take a close look at these form changes now:

200:2 The process of exchange is therefore accomplished through the following changes of form:

Commodity—Money—Commodity
 $C - M - C$.

These two stages are first considered from the point of view of their result, then separately, and then in their unity.

200:3 As far as its material content is concerned, the movement is $C - C$, the exchange of one commodity for another, the metabolic interaction of social labor, ...

From the point of view of its content it is $C - C$, metabolism of social labor.
... in whose result the process itself becomes extinguished.

The process is like a fire; it dies down after its result is achieved. The result does *not* recreate the conditions for the renewal of the process.

Now Marx brings more details how this result is achieved.

tausch des Gelds mit Ware, und Einheit beider Akte: verkaufen, um zu kaufen.

120:1 Besieht sich der Leinweber nun das Endresultat des Handels, so besitzt er Bibel statt Leinwand, statt seiner ursprünglichen Ware eine andre vom selben Wert, aber verschiedner Nützlichkeit. In gleicher Weise eignet er sich seine andren Lebens- und Produktionsmittel an. Von seinem Standpunkt vermittelt der ganze Prozeß nur den Austausch seines Arbeitsprodukts mit fremdem Arbeitsprodukt, den Produktaustausch.

120:2 Der Austauschprozeß der Ware vollzieht sich also in folgendem Formwechsel:

Ware—Geld—Ware
 $W - G - W$.

120:3 Nach ihrem stofflichen Inhalt ist die Bewegung $W-W$, Austausch von Ware gegen Ware, Stoffwechsel der gesellschaftlichen Arbeit, ...

... in dessen Resultat der Prozeß selbst erlischt.

[C-M]

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200:4/o *C – M*. First metamorphosis of the commodity, or sale. The leap taken by value from the body of the commodity into the body of the gold is the commodity's *salto mortale*, as I have called it elsewhere. If the leap falls short, it is not the commodity which is bruised but rather its owner.

"Elsewhere" is a reference to *A Contribution to the Critique of Political Economy*, p. 325:1/o. "Bruised" is in German "*geprellt*" which also means "defrauded." The commodity owner must subject his commodity to the test of the market and pass this test, otherwise his labor is in vain. The private producer, individually, must absorb the costs if social production exceeds demand, but they benefit in the symmetric imbalance that social production falls short of demand.

Question 447 (*Fri Oct 8–Mon Oct 18*) Why is the commodity not bruised, and why is the commodity owner "bruised," if the commodity's *salto mortale* fails? 2009fa, 2007SP, 2005fa, 2001fa.

The social division of labor makes the nature of her labor as one-sided as her needs are many-sided. The product of her labor serves her therefore merely as exchange-value.

↑ Here Marx refers to the social structure in the background of these individual activities: the commodity producers live in a society with a division of labor; they cannot use their own products themselves, and they have many needs which require the specialized products of others. Their product is for them only an *exchange-value*, destined to be traded away for a wide variety of other commodities. For this function, the General equivalent form would be the appropriate social form:

It cannot acquire a General socially valid equivalent form except by being converted into money—however that money is in someone else's pocket.

This transition from a personal equivalent to a generally recognized equivalent is developed in more detail in chapter Two, 180:2. It is Marx's more specific formulation of the contradiction faced by the commodity traders that in terms of use-values their transaction is purely individual, and in terms of value it is purely social. This contradiction cannot be solved on an individual basis, since every commodity producer wants his commodity to be the General equivalent, but only one General equivalent is possible. But society at large steps in and designates one commodity, gold, as the General equivalent. This was discussed in chapter Two. Here, in chapter Three, we are discussing how the individuals act in the presence of money. They must convert their products into money. This conversion will only happen if their product is a use-value for the money owner.

In order to extract this money, the commodity produced by its owner's labor must above all be a use-value for the owner of the money. The labor expended on it must therefore be of a socially useful kind, i.e. it

120:4/oo *W – G*. Erste Metamorphose der Ware oder Verkauf. Das Überspringen des Warenwerts aus dem Warenleib in den Goldleib ist, wie ich es anderswo bezeichnet, der Salto mortale der Ware. Mißlingt er, so ist zwar nicht die Ware geprellt, wohl aber der Warenbesitzer.

Die gesellschaftliche Teilung der Arbeit macht seine Arbeit ebenso einseitig als seine Bedürfnisse vielseitig. Ebendeswegen dient ihm sein Produkt nur als Tauschwert.

Allgemeine gesellschaftlich gültige Äquivalentform erhält es aber nur im Geld, und das Geld befindet sich in fremder Tasche.

Um es herauszuziehn, muß die Ware vor allem Gebrauchswert für den Geldbesitzer sein, die auf sie verausgabte Arbeit also in gesellschaftlich nützlicher Form verausgabt sein oder sich als Glied der gesellschaftli-

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must prove its validity as a branch of the social division of labor.

chen Teilung der Arbeit bewähren.

↑ This intertwining of different commodity metamorphoses is not the reflection of some necessity of production, but it merely comes from circulation. Its implications will be discussed in detail next. ↓ The rest of the paragraph shows that the evolving social structure underlying this transaction only enters this activity as a disturbance creating uncertainties. As is typical for Marx, he first formulates the result in a catchy phrase and develops it.

But the division of labor is an organization of production which has evolved spontaneously, a web which was, and continues to be, woven behind the backs of the producers of commodities.

Aber die Teilung der Arbeit ist ein naturwüchsiger Produktionsorganismus, dessen Fäden hinter dem Rücken der Warenproduzenten gewebt wurden und sich fortweben.

I.e., the market uncertainties which will be discussed next come from a lack of conscious planning and coordination. Now Marx describes eight different situations in which a commodity may not find a buyer.

(1) The labor aims to satisfy a new need:

Perhaps the commodity is the product of a new kind of labor, and claims to satisfy a newly arisen need, or is even trying to bring forth a new need on its own account.

Vielleicht ist die Ware Produkt einer neuen Arbeitsweise, die ein neu aufgekommenes Bedürfnis zu befriedigen vorgibt oder auf eigne Faust ein Bedürfnis erst hervorrufen will.

(2) A particular operation splits off and becomes its own trade:

Perhaps a particular operation, which yesterday still formed one out of many operations conducted by the same producer in creating a given commodity, today tears itself out of this framework, establishes itself as an independent branch of labor, and sends its part of the product to market as an independent commodity. The circumstances may or may not be ripe for such a process of separation.

Gestern noch eine Funktion unter den vielen Funktionen eines und desselben Warenproduzenten, reißt sich eine besondere Arbeitsverrichtung heute vielleicht los von diesem Zusammenhang, verselbständigt sich und schickt ebendeswegen ihr Teilprodukt als selbständige Ware zu Markt. Die Umstände mögen reif oder unreif sein für diesen Scheidungsprozeß.

(3) A product is replaced by a substitute:

Today the product satisfies a social need. Tomorrow it may perhaps be expelled partly or completely from its place by a similar product.

Das Produkt befriedigt heute ein gesellschaftliches Bedürfnis. Morgen wird es vielleicht ganz oder teilweise von einer ähnlichen Produktenart aus seinem Platze verdrängt.

Note that Marx assumes an ongoing economy. He assumes that the product used to be socially necessary, but certain changes come about which make it no longer so. But even if none of the above changes occur, our individual producer may be upstaged by her competitors: Grammatically, the evolution of the division of labor is described here not as the deed of the workers, but their labor and the commodities themselves are the subjects. This is reminiscent of chapter Two, where Marx also distinguished between the will of the commodity owners and the will of the commodities themselves.

(4) The labor itself is useful but the need for this kind of product has already been satisfied by other suppliers.

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Moreover, although our weaver's labor may be a recognized branch of the social division of labor, yet that fact is by no means sufficient to guarantee the utility of her 20 yards of linen. If the society's need for linen—and such a need has a limit like every other need—has already been satisfied by the products of rival weavers, our friend's product is in excess, superfluous, and consequently useless.

Since this product has use-value, it can probably still be sold if the price is low enough. Two paragraphs down, in 203:1, Marx describes this as a situation in which a form change leads to a gain or loss in quantity; at the present time, he only remarks that a loss in value is against the intention of the seller:

Although people do not look a gift-horse in the mouth, our friend does not frequent the market to make presents of his products.

This is the transition from the qualitative to the quantitative discussion. Next Marx assumes that the product indeed turns out to be a use-value, and asks how much money it attracts. This is now a quantitative question, after the qualitative criteria above whether or not the commodity is a use-value at all.

Let us assume, however, that the use-value of her product proves itself, and that the commodity therefore attracts money. Now we have to ask: how much money? No doubt the answer is already anticipated in the price of the commodity, which is the exponent of the magnitude of its value.

↑ Of course, every commodity has a price tag, but the price actually received on the market may differ from the price expected by the seller for various reasons.

(5) If a wrong price was set due to mis-calculations of the commodity producer, the market's correction of this price is not a change in the quantity value, therefore Marx disregards this here:

We leave out of consideration here any possible subjective errors in calculation by the owner of the commodity, which will immediately be corrected objectively in the market.

(6) If the commodity is not produced under average conditions, the market may not reward all the labor going into this product. Marx disregards this case too; he assumes all goods are produced under average conditions:

We suppose him to have spent on his product only the average socially necessary quantity of labor-time.

If the goods are produced under average conditions and if there are no miscalculations of the price, then the price reflects the labor input of the commodity:

Ist auch die Arbeit, wie die unsres Leinwebers, patentiertes Glied der gesellschaftlichen Arbeitsteilung, so ist damit noch keineswegs der Gebrauchswert grade seiner 20 Ellen Leinwand garantiert. Wenn das gesellschaftliche Bedürfnis für Leinwand, und es hat sein Maß wie alles andre, bereits durch nebenbuhlerische Leinweber gesättigt ist, wird das Produkt unsres Freundes überschüssig, überflüssig und damit nutzlos.

Einem geschenkten Gaul sieht man nicht ins Maul, aber er beschreitet nicht den Markt, um Präsente zu machen.

Gesetzt aber, der Gebrauchswert seines Produkts bewähre sich und Geld werde daher angezogen von der Ware. Aber nun fragt sich's, wieviel Geld? Die Antwort ist allerdings schon antizipiert im Preis der Ware, dem Exponenten ihrer Wertgröße.

Wir sehn ab von etwaigen rein subjektiven Rechenfehlern des Warenbesitzers, die auf dem Markt sofort objektiv korrigiert werden.

Er soll auf sein Produkt nur den gesellschaftlich notwendigen Durchschnitt von Arbeitszeit verausgabt haben.

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The price of the commodity is therefore just the money-name of the quantity of social labor objectified in it.

Does this mean the market will accept the price? Marx brings two situations in which it won't:

(7) Even if the commodity is produced under average conditions, there may be changes in the production of the same commodity elsewhere. In other words, even if this producer, individually, does everything right, she may be rudely reminded that abstract labor is a social concept:

But now the old-established conditions of production in weaving are thrown into the melting-pot, without the permission of, and behind the back of, our weaver. What was yesterday undoubtedly labor-time socially necessary for the production of a yard of linen ceases to be so today, a fact which the owner of the money is only too eager to prove from the prices quoted by our friend's competitors. Unluckily for the weaver, people of her kind are in plentiful supply.

Der Preis der Ware ist also nur Geldname des in ihr vergegenständlichten Quantums gesellschaftlicher Arbeit.

Aber ohne Erlaubnis und hinter dem Rücken unsres Leinwebers gerieten die altverbürgten Produktionsbedingungen der Leinweberei in Gärung. Was gestern zweifelsohne gesellschaftlich notwendige Arbeitszeit zur Produktion einer Elle Leinwand war, hört heute auf, es zu sein, wie der Geldbesitzer eifrigst demonstriert aus den Preisquotationen verschiedner Nebenbuhler unsres Freundes. Zu seinem Unglück gibt's viele Weber auf der Welt.

Question 448 (*Fri Oct 8–Mon Oct 18*) Usually, Marx says that the strength of the proletariat comes from its numbers; but in 200:4/o, Marx says that is is unluckily for the weaver that there are many weavers in the world. How can he come to such conflicting pronouncements?

(8) And again the case in which too much was produced. This is similar to (4), but this time all producers have to cut their prices. Marx says this is tantamount to them producing at a below-normal productivity:

Let us suppose, finally, that every piece of linen on the market contains nothing but socially necessary labor-time. In spite of this, all these pieces taken as a whole may contain superfluously expended labor-time. If the market cannot stomach the whole quantity at the normal price of 2 shillings a yard, this proves that too great a portion of the total social labor-time has been expended in the form of weaving. The effect is the same as if each individual weaver had expended more labor-time on his or her particular product than was socially necessary. As the German proverb has it: caught together, hung together. All the linen on the market counts as one single article of commerce, and each piece of linen is only a proportional part of it. And in fact the value of each single yard is also nothing but the materialization of the same socially determined

Gesetzt endlich, jedes auf dem Markt vorhandne Stück Leinwand enthalte nur gesellschaftlich notwendige Arbeitszeit. Trotzdem kann die Gesamtsumme dieser Stücke überflüssig verausgabte Arbeitszeit enthalten. Vermag der Marktmagen das Gesamtquantum Leinwand, zum Normalpreis von 2 sh. per Elle, nicht zu absorbieren, so beweist das, daß ein zu großer Teil der gesellschaftlichen Gesamtarbeitszeit in der Form der Leinweberei verausgabt wurde. Die Wirkung ist dieselbe, als hätte jeder einzelne Leinweber mehr als die gesellschaftlich notwendige Arbeitszeit auf sein individuelles Produkt verwandt. Hier heißt's: Mitgefangen, mitgehängt. Alle Leinwand auf dem Markt gilt nur als ein Handelsartikel, jedes Stück nur als aliquoter Teil. Und in der Tat ist der Wert jeder individuellen Elle ja auch nur die Materiatur desselben gesell-

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quantity of homogeneous human labor.

schaftlich bestimmten Quantums gleichartiger menschlicher Arbeit.

Question 449 (*Fri Oct 8–Mon Oct 18*) Which difficulties may the commodity producer encounter when trying to sell the commodity? [2009fa](#), [2008fa](#), [2007fa](#), [2007SP](#), [2001fa](#), [2000fa](#), [1999SP](#), [1998WI](#), [1997ut](#).

↓ Marx draws the following conclusion from the difficulties in selling the commodity:

202:1/o We see then that commodities are in love with money, but ‘the course of true love never does run smooth’. The quantitative articulation of society’s productive organism, by which its scattered elements are integrated into the system of the division of labor, is as haphazard and spontaneous as its qualitative articulation. The owners of commodities therefore find out that the same division of labor which turns them into independent private producers also makes the social process of production and the relations of the individual producers to each other within that process independent of the producers themselves; they also find out that the independence of the individuals from each other is supplemented by a system of all-round material dependence.

122:1 Man sieht, die Ware liebt das Geld, aber „the course of true love never does run smooth“. Ebenso naturwüchsig zufällig wie die qualitative ist die quantitative Gliederung des gesellschaftlichen Produktionsorganismus, der seine membra disjecta im System der Teilung der Arbeit darstellt. Unsre Warenbesitzer entdecken daher, daß dieselbe Teilung der Arbeit, die sie zu unabhängigen Privatproduzenten, den gesellschaftlichen Produktionsprozeß und ihre Verhältnisse in diesem Prozeß von ihnen selbst unabhängig macht, daß die Unabhängigkeit der Personen voneinander sich in einem System allseitiger sachlicher Abhängigkeit ergänzt.

Question 451 (*Fri Oct 8–Mon Oct 18*) Marx says that the independence of the individuals from each other is supplemented by a system of all-round material dependence. Explain what this means. [2007SP](#), [2005fa](#).

Although the producers are personally independent of each other, also the system of social interconnections of the production process is independent of the producers, and forces the producers into a system of material dependence of each other.

↓ After all this, Marx assumes that the process goes smoothly despite the above obstacles. Discrepancies between demand and supply are also discussed in [195:2/o](#), and *Capital II* is discussing the conditions necessary for demand and supply to coincide.

203:1 The division of labor converts the product of labor into a commodity, and thereby makes necessary its conversion into money. At the same time, it makes it a matter of chance whether this transubstantiation succeeds or not. Here, however, we have to look at the phenomenon in its pure shape, and must therefore assume it has proceeded normally. In any case, if the process is to take place at all, i.e. if the commodity is not impossible to sell, a change of form must always occur, although there may be an ab-

122:2 Die Teilung der Arbeit verwandelt das Arbeitsprodukt in Ware und macht dadurch seine Verwandlung in Geld notwendig. Sie macht es zugleich zufällig, ob diese Transsubstantiation gelingt. Hier ist jedoch das Phänomen rein zu betrachten, sein normaler Vorgang also vorauszusetzen. Wenn es übrigens überhaupt vorgeht, die Ware also nicht unverkäuflich ist, findet stets ihr Formwechsel statt, obgleich abnormal in diesem Formwechsel Substanz—Wertgröße—eingebüßt oder zugesetzt wer-

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normal loss or accretion of substance—that is, of the magnitude of value.

Marx does not speak here of division of labor in general, but the very specific division of labor with private producers producing for the market. In 132:4 Marx emphasizes that non-market division of labor is also possible.

Next follows a summary preparing the transition to the back side of $C - M$, namely, this $C - M$ is the $M - C$ for someone else.

203:2 The seller has her commodity replaced by gold, the buyer has his gold replaced by a commodity. The palpable phenomenon here is that a commodity and gold, 20 yards of linen and £2, have changed hands and places, in other words that they have been exchanged. But what is the commodity exchanged for? For the general shape assumed by its own value. And what is the gold exchanged for? For a particular form of its own use-value.

Fowkes translates “*sinnfällig*” as “striking” which is wrong.

Sale is not exchange with other use-value, i.e., it is not a transaction involving two commodities, but realization of the commodity’s *own* value in money, i.e., it involves only one commodity. Whereas the direct barter $C - C$ is a symmetric relation between the commodities, $C - M$ is asymmetric. Therefore it is legitimate to ask: what is the sale for the money? Realization of its notional (*ideell*) use-value. The next question is: how did M get into this special position in the circulation process? Because it is measure of value.

Why does gold confront the linen as money?
Because the linen’s price of £2, its money-name, already brings it into relation with the gold as money.

In the second half of the paragraph, Marx makes the transition from $C - M$ to $M - C$. Since the form change of the commodity involves money, it is also a form change of money: The disembodiment of the original commodity form is effected by the externalization, the sale, of the commodity, i.e., in the moment when its use-value actually attracts the gold to which it previously had a merely imagined relation in its price. The actualization of a commodity’s price, or of its merely notional value form, is therefore at the same time, and inversely, the actualization of the merely notional use-value of money; the conversion of a commodity into money is the conversion of money into a commodity. This single process is two-sided: from one pole, that of the commodity owner, it is a sale, from the other pole, that of the money

den mag.

122:3/o Dem einen Warenbesitzer ersetzt Gold seine Ware und dem andren Ware sein Gold. Das sinnfällige Phänomen ist der Hände- oder Stellenwechsel von Ware und Gold, von 20 Ellen Leinwand und 2 Pfd.St., d.h. ihr Austausch. Aber womit tauscht sich die Ware aus? Mit ihrer eignen allgemeinen Wertgestalt. Und womit das Gold? Mit einer besondren Gestalt seines Gebrauchs-werts.

Warum tritt Gold der Leinwand als Geld gegenüber? Weil ihr Preis von 2 Pfd.St. oder ihr Geldname sie bereits auf Gold als Geld bezieht.

Die Entäußerung der ursprünglichen Warenform vollzieht sich durch die Veräußerung der Ware, d.h. in dem Augenblicke, wo ihr Gebrauchswert das in ihrem Preis nur vorgestellte Gold wirklich anzieht. Die Realisierung des Preises oder der nur ideellen Wertform der Ware ist daher zugleich umgekehrt Realisierung des nur ideellen Gebrauchswerts des Geldes, die Verwandlung von Ware in Geld zugleich Verwandlung von Geld in Ware. Der eine Prozeß ist zweiseitiger Prozeß, vom Pol des Warenbesitzers Verkauf, vom Gegenpol des Geldbesitzers Kauf. Oder Verkauf ist Kauf, $W - G$ zugleich $G - W$.⁶⁶

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owner, it is a purchase. In other words, a sale is a purchase, $C - M$ is also $M - C$.⁶⁶

⁶⁶ ‘Every sale is a purchase’ (Dr. Quesnay, Dialogues sur le commerce et les travaux des artisans, Physiocrates, ed. Daire, Part 1, Paris, 1846, p. 170), or, as Quesnay says in his Maximes générales, ‘To sell is to buy.’

Once more the transition from $C - M$ to $M - C$, but this time not from point of view of money and commodity, but of money owner and commodity owner. I.e., the practical question where the buyer has his money from. This is also a society-wide issue, but not one emerging from the core of the economy, but from the surface.

203:3/oo Up to this point we have considered only one economic relation between people, namely, that between commodity owners. They can own the product of alien labor only by alienating the product of their own labor. For a commodity owner to confront another as a money owner it is therefore necessary either that the product of the latter should possess by its nature the form of money, i.e. it should be gold, the material of which money consists, or that his product should already have changed its skin and stripped off its original form of a useful object.

The next passage elaborates, in more detail, the two possibilities how the buyer can have obtained his money:

In order to function as money, gold must of course enter the market at some point or other. This point is to be found at its source of production, where the gold is exchanged, as the immediate product of labor, for some other product of equal value. But from that moment onwards, it always represents the actualized price of some commodity.⁶⁷

With every commodity other than gold, the natural way why the seller has possession of it is that he has produced it, and this is the simplifying assumption Marx makes here. With gold it is otherwise; the original sale of gold by the gold producers is only a small part of its presence on the market. Most market participants who have gold in their pocket have it because they have sold their own product.

Leaving aside the exchange of gold for other commodities at its source of production, gold is, in the hands of every commodity-owner, the disembodied shape of the sold commodity, it is the product of the first metamorphosis $C - M$.⁶⁸ Gold, as we saw, became notional money, or measure of value,

⁶⁶ „Jeder Verkauf ist Kauf“ (Dr. Quesnay, „Dialogues sur le Commerce et les Travaux des Artisans“, [in] „Physiocrates“, éd. Daire, I. Partie, Paris 1846, p. 170), oder, wie Quesnay in seinen „Maximes Générales“ sagt: „Verkaufen ist kaufen.“

123:1/o Wir kennen bisher kein ökonomisches Verhältnis der Menschen außer dem von Warenbesitzern, ein Verhältnis, worin sie fremdes Arbeitsprodukt nur aneignen, indem sie eignes entfremden. Einem Warenbesitzer kann der andre daher nur als Geldbesitzer gegenüberstehen, entweder weil sein Arbeitsprodukt von Natur die Geldform besitzt, also Geldmaterial ist, Gold usw., oder weil seine eigene Ware sich bereits gehäutet und ihre ursprüngliche Gebrauchsform abgestreift hat.

Um als Geld zu funktionieren, muß das Gold natürlich an irgendeinem Punkt in den Warenmarkt eintreten. Dieser Punkt liegt an seiner Produktionsquelle, wo es sich als unmittelbares Arbeitsprodukt mit andrem Arbeitsprodukt von demselben Wert austauscht. Aber von diesem Augenblick stellt es beständig realisierte Warenpreise vor.⁶⁷

Abgesehen vom Austausch des Golds mit Ware an seiner Produktionsquelle, ist das Gold in der Hand jedes Warenbesitzers die entäußerte Gestalt seiner veräußerten Ware, Produkt des Verkaufs oder der ersten Warenmetamorphose $W - G$.⁶⁸ Ideelles Geld oder Wertmaß wurde das Gold, weil al-

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because all commodities measured their values in it and thus made it the imagined opposite of their natural shape as objects of utility, i.e., made it the shape of their value. It became actual money because the commodities, through their all-sided externalization, alienation, turned the money into their actually disembodied or transfigured useful shape, thus making it the actual embodiment of their values. When they thus assume the shape of values, commodities strip off every trace of their natural and original use-values, and of the particular kind of useful labor to which they owe their creation, in order to pupate into the homogeneous social materialization of undifferentiated human labor. From the mere look of a piece of money we cannot tell what breed of commodity has been transformed into it. In their money-form all commodities look alike. Hence money may be dirt, although dirt is not money.

Marx's formulation played on the fact that in German, “*veräußern*” not only means “externalize,” but this same word is also used for selling something, just as the English word “alienate” is sometimes used in the meaning of “selling something.” This is

paradoxical. The transaction which in German is called externalization is, if looked at from the form side, exactly the opposite, namely the transition of the commodity *away from* its exterior bodily form to its disembodied money form. Marx

used this as a pun, but since it is impossible to reproduce this pun in a meaningful way in English, the above translation translated “*veräußert*” simply by “sold,” and omitted the explanatory reference to sale immediately following in the same sentence.

Question 453 (*Fri Oct 8–Mon Oct 18*) What does Marx mean with the aphorism: “Money may be dirt, although dirt is not money.” [2009fa](#), [2008fa](#), [2007fa](#).

⁶⁷ ‘The price of one commodity can only be paid by the price of another commodity.’ (Mercier de la Rivière, *L'Ordre naturel et essentiel des sociétés politiques*, [in] *Physiocrates*, éd. Daire, Part 2, p. 554.)

⁶⁸ ‘In order to have this money, one must have made a sale’ (*ibid.*, p. 543).

Usually the buyer obtains his money by selling another commodity; this leads us over to the discussion of the second metamorphosis of a commodity.

We will assume that the two golden coins in return for which our weaver has parted with her linen are the metamorphosed shape of a quarter of wheat. The sale of the linen, $C - M$, is at the same time its purchase, $M - C$. But this process, considered

le Waren ihre Werte in ihm maßen und es so zum vorgestellten Gegenteil ihrer Gebrauchsgestalt, zu ihrer Wertgestalt machten. Reelles Geld wird es, weil die Waren durch ihre allseitige Veräußerung es zu ihrer wirklich entäußerten oder verwandelten Gebrauchsgestalt und daher zu ihrer wirklichen Wertgestalt machen. In ihrer Wertgestalt streift die Ware jede Spur ihres naturwüchsigen Gebrauchswerts und der besondren nützlichen Arbeit ab, welcher sie den Ursprung verdankt, um sich in die gleichförmige gesellschaftliche Matriatur unterschiedsloser menschlicher Arbeit zu verpuppen. Man sieht dem Geld daher nicht an, welchen Schlags die in es verwandelte Ware. Eine sieht in ihrer Geldform grade aus wie die andre. Geld mag daher Dreck sein, obgleich Dreck nicht Geld ist.

⁶⁷ „Der Preis einer Ware kann nur mit dem Preis einer anderen Ware bezahlt werden.“ (Mercier de la Rivière, „L'Ordre naturel et essentiel des sociétés politiques“, [in] „Physiocrates“, éd. Daire, p. 554.)

⁶⁸ „Um dieses Geld zu haben, muß man verkauft haben.“ (I.c. p. 543.)

Wir wollen annehmen, daß die zwei Goldfünfzehner, wogegen unser Leinweber seine Ware veräußert, die verwandelte Gestalt eines Quarters Weizen sind. Der Verkauf der Leinwand, $W - G$, ist zugleich ihr Kauf, $G - W$. Aber als Verkauf der Leinwand beginnt dieser Prozeß

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as the sale of the linen, starts off a movement which ends with its opposite: the purchase of a Bible. Considered as purchase of the linen, on the other hand, the process completes a movement which began with its opposite, the sale of the wheat. $C - M$ (linen—money), which is the first phase of C (linen—money—Bible), is also $M - C$ (money—linen), the last phase of another movement $C - M - C$ (wheat—money—linen). The first metamorphosis of one commodity, its transformation from the commodity-form into money, is therefore also invariably the second, and diametrically opposite, metamorphosis of some other commodity, the retransformation of the latter from money into a commodity.⁶⁹

⁶⁹ As remarked previously, the producer of gold or silver forms an exception. He exchanges his product without having sold it first.

eine Bewegung, die mit seinem Gegenteil endet, mit dem Kauf der Bibel; als Kauf der Leinwand endet er eine Bewegung, die mit seinem Gegenteil begann, mit dem Verkauf des Weizens. $W - G$ (Leinwand—Geld), diese erste Phase von $W - G - W$ (Leinwand—Geld—Bibel), ist zugleich $G - W$ (Geld—Leinwand), die letzte Phase einer andren Bewegung $W - G - W$ (Weizen—Geld—Leinwand). Die erste Metamorphose einer Ware, ihre Verwandlung aus der Warenform in Geld, ist stets zugleich zweite entgegengesetzte Metamorphose einer andren Ware, ihre Rückverwandlung aus der Geldform in Ware.⁶⁹

⁶⁹ Ausnahme, wie vorher bemerkt, bildet der Gold- resp. Silberproduzent, der sein Produkt austauscht, ohne es vorher verkauft zu haben.

[M–C]

The first paragraph looks at one individual commodity:

205:1 $M - C$. The second or concluding metamorphosis of the commodity: purchase. Money is the absolutely alienable commodity, because it is the disembodied shape of all other commodities, the product of their universal externalization, alienation. It reads all prices backwards, and thus as it were mirrors itself in the bodies of all other commodities, which provide the material through which it itself can come into being as a commodity. At the same time the prices, those wooing glances cast at money by commodities, define the limit of its convertibility, namely its own quantity.

Money is absolutely alienable, i.e., it is a commodity always welcome on the market. Pun with the German word *Hingabe* which means to give away but also sexual surrender. The commodities surrender their bodies in two ways: they give their bodies away and they achieve bodily fulfilment by doing it. In this way they also become the material through which the abstract money becomes commodity.

At the end Marx mention very briefly that the only obstacle (*Schranke*) for money is its quantity. This theme will be taken up again in the discussion of the miser on p. 230:1/o and in 252:2/o in chapter Four.

Since every commodity disappears when it becomes money it is impossible to tell from

124:1 $G - W$. Zweite oder Schlußmetamorphose der Ware: Kauf.—Weil die entäußerte Gestalt aller andren Waren oder das Produkt ihrer allgemeinen Veräußerung, ist Geld die absolut veräußerliche Ware. Es liest alle Preise rückwärts und spiegelt sich so in allen Warenleibern als dem hingebenden Material seiner eignen Warenwerdung. Zugleich zeigen die Preise, die Liebesaugen, womit ihm die Waren winken, die Schranke seiner Verwandlungsfähigkeit, nämlich seine eigne Quantität.

Da die Ware in ihrer Geldwerdung verschwindet, sieht man dem Geld nicht an,

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the money itself how it got into the hands of its possessor, or what article has been changed into it. It has no smell, from whatever source it may come. If it represents, on the one hand, a commodity which has been sold, it also represents, on the other hand, a commodity which can be bought.⁷⁰

Again Marx makes the point that for a purchase, it is irrelevant where the money comes from; money represents both the commodities sold and the commodities to buy.

⁷⁰ ‘If money represents, in our hands, the things we can wish to buy, it also represents the things we have sold for this money’ (Mercier de la Riviere, op. cit., p. 586).

The next paragraph goes over to the backside again: $M - C$ is also the first metamorphosis $C - M$ for a different commodity. Many different $M - C$ often come out of one $C - M$. Transition from point of view of the commodity to that of the individual.

205:2/o $M - C$, a purchase, is at the same time $C - M$, a sale; the concluding metamorphosis of one commodity is the first metamorphosis of another. For our weaver, the life of her commodity ends with the Bible into which she has reconverted her £2. But suppose the seller of the Bible turns the £2 set free by the weaver into brandy. $M - C$, the concluding phase of $C - M - C$ (linen—money—Bible), is also $C - M$, the first phase of $C - M - C$ (Bible—money—brandy). Since the producer of the commodity offers only a single product, he often sells it in large quantities, whereas the fact that he has many needs compels him to split up the price realized, the sum of money set free, into numerous purchases. Hence a sale leads to many purchases of different commodities. The concluding metamorphosis of a commodity thus constitutes an aggregate of the first metamorphoses of other commodities.

wie es in die Hände seines Besitzers gelangt oder was in es verwandelt ist. Non olet, wessen Ursprungs auch immer. Wenn es einerseits verkauft Ware repräsentiert, so andererseits kaufbare Ware.⁷⁰

⁷⁰ „Wenn das Geld in unserer Hand die Dinge darstellt, die wir zu kaufen wünschen können, so stellt es auch die Dinge dar, die wir für dieses Geld verkauft haben.“ (Mercier de la Rivière, l.c. p. 586.)

124:2/o $G - W$, der Kauf ist zugleich Verkauf, $W - G$; die letzte Metamorphose einer Ware daher zugleich die erste Metamorphose einer andren Ware. Für unsren Leinweber schließt der Lebenslauf seiner Ware mit der Bibel, worin er die 2 Pfd. St. rückverwandelt hat. Aber der Bibelverkäufer setzt die vom Leinweber gelösten 2 Pfd.St. in Kornbranntwein um. $G - W$, die Schlußphase von $W - G - W$ (Leinwand—Geld—Bibel), ist zugleich $W - G$, die erste Phase von $W - G - W$ (Bibel—Geld—Kornbranntwein). Da der Warenproduzent nur ein einseitiges Produkt liefert, verkauft er es oft in größeren Massen, während seine vielseitigen Bedürfnisse ihn zwingen, den realisierten Preis oder die gelöste Geldsumme beständig in zahlreiche Käufe zu zer-splittern. Ein Verkauf mündet daher in viele Käufe verschiedner Waren. Die Schlußmetamorphose einer Ware bildet so eine Summe von ersten Metamorphosen anderer Waren.

[C-M-C]

206:1 If we now consider the completed metamorphosis of a commodity as a whole, we see in the first place that it is made up of two opposite and complementary movements, $C - M$ and $M - C$. These two an-

125:1 Betrachten wir nun die Gesamtmetamorphose einer Ware, z.B. der Leinwand, so sehn wir zunächst, daß sie aus zwei entgegengesetzten und einander ergänzenden Bewegungen besteht, $W - G$ und $G - W$.

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tithetical transmutations of the commodity are accomplished through two antithetical social processes in which the commodity-owner takes part, and are reflected in the antithetical economic characteristics of the two processes. By taking part in the act of sale, the commodity-owner becomes a seller; in the act of purchase, he becomes a buyer. But just as, in every transmutation of a commodity, its two forms, the commodity-form and the money-form, exist simultaneously but at opposite poles, so every seller is confronted with a buyer, every buyer with a seller. While the same commodity is successively passing through the two inverted transmutations, from a commodity into money and from money into another commodity, the owner of the commodity successively changes his role from seller to buyer. Being a seller and being a buyer are therefore not fixed roles, but constantly attach themselves to different persons in the course of the circulation of commodities.

Marx describes a duality here. In each of the two transactions a seller is facing a buyer, just as in each stage of the metamorphosis of the commodity, both forms, the commodity form and the money form, exist at the same time, only on different poles. Just as the same commodity successively makes two form changes (i.e., three stages), the seller in the first is the buyer in the second.

206:2 The complete metamorphosis of a commodity, in its simplest form, implies four dénouements and three dramatis personae. First, a commodity comes face to face with money; the latter is the form taken by the value of the former, and exists over there in someone else's pocket in all its hard, material reality. A commodity-owner is thus confronted with a money-owner. Now as soon as the commodity has been changed into money, the money becomes its vanishing equivalent-form, whose use-value or content exists here on the spot, in the bodies of other commodities. Money, the final stage of the first transformation, is at the same time the starting-point for the second. The person who is a seller in the first transaction thus becomes a buyer in the second, in which a third commodity-owner comes to

Diese zwei entgegengesetzten Wandlungen der Ware vollziehn sich in zwei entgegengesetzten gesellschaftlichen Prozessen des Warenbesitzers und reflektieren sich in zwei entgegengesetzten ökonomischen Charakteren desselben. Als Agent des Verkaufs wird er Verkäufer, als Agent des Kaufs Käufer. Wie aber in jeder Wandlung der Ware ihre beiden Formen, Warenform und Geldform, gleichzeitig existieren, nur auf entgegengesetzten Polen, so steht demselben Warenbesitzer als Verkäufer ein anderer Käufer und als Käufer ein anderer Verkäufer gegenüber. Wie dieselbe Ware die zwei umgekehrten Wandlungen sukzessiv durchläuft, aus Ware Geld und aus Geld Ware wird, so wechselt derselbe Warenbesitzer die Rollen von Verkäufer und Käufer. Es sind dies also keine festen, sondern innerhalb der Warenzirkulation beständig die Personen wechselnden Charaktere.

125:2 Die Gesamtmetamorphose einer Ware unterstellt, in ihrer einfachsten Form, vier Extreme und drei personae dramatis. Erst tritt der Ware das Geld als ihre Wert-Gestalt gegenüber, die jenseits, in fremder Tasche, sachlich harte Realität besitzt. So tritt dem Warenbesitzer ein Geldbesitzer gegenüber. Sobald die Ware nun in Geld verwandelt, wird letztes zu ihrer verschwindenden Äquivalentform, deren Gebrauchs-wert oder Inhalt diesseits in andren Warenkörpern existiert. Als Endpunkt der ersten Warenwandlung ist das Geld zugleich Ausgangspunkt der zweiten. So wird der Verkäufer des ersten Akts Käufer im zweiten, wo ihm ein dritter Warenbesitzer als Verkäufer gegenübertritt.⁷¹

meet him as a seller.⁷¹

⁷¹ ‘There are accordingly . . . four final terms and three contracting parties one of whom intervenes twice’ (Le Trosne, op. cit., p. 909).

Four extremes (C, M, M, C) but only three persons since the seller in the first step is the buyer in the second.

207:1 The two inverted phases of the movement which makes up the metamorphosis of a commodity constitute a circuit: commodity form, stripping off of this form, and return to it. Of course, the commodity itself is here subject to contradictory determinations. At the starting-point it is a non-use-value to its owner; at the end it is a use-value. So too the money appears in the first phase as a solid crystal of value into which the commodity has been transformed, but afterwards it dissolves into the mere equivalent form of the commodity.

Circle $C - M - C$: The four extremes are here explained better: the difference between the first and the last C is that the last C is a use-value for its owner, and the first is not. There is also a difference between the M in the first and the M in the second transaction.

Now the link of this $C - M - C$ with the $C - M - C$ of others. The complete metamorphosis of one commodity is at the same time the second metamorphosis of another and the first metamorphosis of a third commodity. This observation furnishes the transition from the metamorphosis of a single commodity to the metamorphoses of all commodities and their interconnection.

207:2 The two metamorphoses which constitute the commodity’s circular path are at the same time two inverse partial metamorphoses of two other commodities. One and the same commodity (the linen) opens the series of its own metamorphoses, and completes the metamorphosis of another (the wheat). In its first transformation, the sale, the linen plays these two parts in its own person. But then it goes the way of all flesh, enters the chrysalis state as gold, and thereby simultaneously completes the first metamorphosis of a third commodity. Hence the circuit made by one commodity in the course of its metamorphoses is inextricably entwined with the circuits of other commodities. The process as a whole presents itself as the circulation of commodities.

⁷¹ „Demnach gibt es vier Endpunkte und drei Vertragspartner, von denen einer zweimal eingreift.“ (Le Trosne, l.c. p. 909.)

126:1 Die beiden umgekehrten Bewegungsphasen der Warenmetamorphose bilden einen Kreislauf: Warenform, Abstreifung der Warenform, Rückkehr zur Warenform. Allerdings ist die Ware selbst hier gegensätzlich bestimmt. Am Ausgangspunkt ist sie Nicht-Gebrauchswert, am Endpunkt Gebrauchswert für ihren Besitzer. So erscheint das Geld erst als der feste Wertkristall, worin sich die Ware verwandelt, um hinterher als ihre bloße Äquivalentform zu zerrinnen.

126:2 Die zwei Metamorphosen, die den Kreislauf einer Ware, bilden zugleich die umgekehrten Teilmetamorphosen zweier andren Waren. Dieselbe Ware (Leinwand) eröffnet die Reihe ihrer eignen Metamorphosen und schließt die Gesamtmetamorphose einer andren Ware (des Weizens). Während ihrer ersten Wandlung, dem Verkauf, spielt sie diese zwei Rollen in eigner Person. Als Goldchrysalide dagegen, worin sie selbst den Weg alles Fleisches wandert, endet sie zugleich die erste Metamorphose einer dritten Ware. Der Kreislauf, den die Metamorphosenreihe jeder Ware beschreibt, verschlingt sich also unentwirrbar mit den Kreisläufen anderer Waren. Der Gesamtprozeß stellt sich dar als Warenzirkulation.

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Fowkes: This whole process constitutes the circulation of commodities.

After having arrived at commodity circulation, Marx takes a look back at his starting point, the direct barter of products, and concludes that circulation differs from barter not only formally but also essentially:

207:3 The circulation of commodities differs from the direct barter of products not only in form, but in its essence. We have only to consider the course of events. The weaver has undoubtedly exchanged her linen for a Bible, her own commodity for someone else's. But this phenomenon is only true for her. The Bible pusher, who prefers a warming drink to cold sheets, had no intention of exchanging linen for his Bible; the weaver did not know that wheat had been exchanged for her linen. *B*'s commodity replaces that of *A*, but *A* and *B* do not mutually exchange their commodities. It may in fact happen that *A* and *B* buy from each other, but a particular relationship of this kind is by no means the necessary result of the general conditions of the circulation of commodities. We see here, on the one hand, how the exchange of commodities breaks through all the individual and local limitations of the direct barter of products, and develops the metabolic process of human labor. On the other hand, there develops a whole network of social connections of natural origin, entirely beyond the control of the human agents. Only because the farmer has sold his wheat is the weaver able to sell her linen, only because the weaver has sold her linen is our rash and intemperate friend able to sell his Bible, and only because the latter already has the water of everlasting life is the distiller able to sell his eau-de-vie. And so it goes on.

The form in which the circulation takes place affects its content (Marx writes here "essence," *Wesen*), the transfer of commodities. A different pattern of transfers is created by commodity circulation than by direct exchange. In the latter, if *B* obtains the commodities of *A*, then *A* obtains those of *B*. In circulation, *B* obtains those of *A*, but *C* those of *B*, and so forth. Thus commodity circulation breaks through individual and local barriers of direct barter. On the other hand, the economic agents' social connection becomes uncontrollable.

126:3 Die Warenzirkulation ist nicht nur formell, sondern wesentlich vom unmittelbaren Produktaustausch unterschieden. Man werfe nur einen Rückblick auf den Vorgang. Der Leinweber hat unbedingt Leinwand mit Bibel vertauscht, eigne Ware mit fremder. Aber dies Phänomen ist nur wahr für ihn. Der Bibelagent, der dem Kühlen Heißes vorzieht, dachte nicht daran, Leinwand für Bibel einzutauschen, wie der Leinweber nicht davon weiß, daß Weizen gegen seine Leinwand eingetauscht worden ist usw. Die Ware des *B* ersetzt die Ware des *A*, aber *A* und *B* tauschen nicht wechselseitig ihre Waren aus. Es kann in der Tat vorkommen, daß *A* und *B* wechselweis voneinander kaufen, aber solche besondere Beziehung ist keineswegs durch die allgemeinen Verhältnisse der Warenzirkulation bedingt. Einerseits sieht man hier, wie der Warenaustausch die individuellen und lokalen Schranken des unmittelbaren Produktaustausches durchbricht und den Stoffwechsel der menschlichen Arbeit entwickelt. Andererseits entwickelt sich ein ganzer Kreis von den handelnden Personen unkontrollierbarer, gesellschaftlicher Naturzusammenhänge. Der Weber kann nur Leinwand verkaufen, weil der Bauer Weizen, Heißsporn nur die Bibel, weil der Weber Leinwand, der Destillateur nur gebranntes Wasser, weil der andre das Wasser des ewigen Lebens bereits verkauft hat usw.

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Question 457 (*Fri Oct 8–Mon Oct 18*) *What is the deeper reason that reciprocity agreements, i.e., agreements of the form: “I buy this from you if you buy that from me” are illegal in the U.S.?* [2009fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [1999SP](#), [1998WI](#).

208:1 The circulation process, therefore, does not die down, as the direct barter does, with the change of places or change of hands of the use-values. When the money finally drops out of the series of metamorphoses undergone by a commodity, this does not mean that it vanishes. It always stays behind at a point in the arena of circulation vacated by the commodities. In the complete metamorphosis of the linen, for example, linen—money—Bible, the linen first falls out of circulation, and money steps into its place. Then the Bible falls out of circulation, and again money takes its place. When one commodity replaces another, the money commodity always sticks to the hands of some third person.⁷² Circulation sweats money from every pore.

Fowkes’s “the process of circulation does not disappear

from view” is again an epistemic twist.

126:4/o Der Zirkulationsprozeß erlischt deswegen auch nicht, wie der unmittelbare Produktaustausch, in dem Stellen- oder Händewechsel der Gebrauchswerte. Das Geld verschwindet nicht, weil es schließlich aus der Metamorphosenreihe einer Ware herausfällt. Es schlägt immer nieder auf eine durch die Waren geräumte Zirkulationsstelle. Z.B. in der Gesamtmetamorphose der Leinwand: Leinwand—Geld—Bibel fällt erst die Leinwand aus der Zirkulation, Geld tritt an ihre Stelle, fällt dann die Bibel aus der Zirkulation, Geld tritt an ihre Stelle. Der Ersatz von Ware durch Ware lässt zugleich an dritter Hand die Geldware hängen.⁷² Die Zirkulation schwitzt beständig Geld aus.

A second characteristic of commodity circulation which has no parallel in direct barter is that it “sweats out money.” If *A* and *B* have exchanged their products, then all commodities which had taken part in the transaction have fallen out of circulation. In circulation, after linen has been replaced with a bible, for the linen-weaver, also this transaction is completed and it had exactly the effect of displacing these products. But a change has occurred also on a different place: the man who sold the bible has money now which he did not have before, and the man who bought the linen had had money before which he does not have now. That always someone has money indicates that there are always unfinished circulation processes.

⁷² This phenomenon may be self-evident, but it is in most cases overlooked by political economists, especially by the average free-trader.

⁷² Note zur 2. Ausg. So handgreiflich dieses Phänomen ist, wird es dennoch von politischen Ökonomen meist übersehen, namentlich vom Freihändler vulgaris.

[Unity and Opposition between C–M and M–C]

The concluding passage of section 3.2.a begins with a rebuttal of Say’s law, followed by a discussion of the identity, polarity, unity, and contradiction between sale and purchase. The main result of this discussion is that commodity circulation contains the possibility of crisis.

Marx begins with a flat-out denunciation of Say’s law which he calls a “silly dogma”:

208:2/o Nothing can be sillier than the dogma that, because every sale is a purchase and every purchase a sale, the circulation of

127:1/o Nichts kann alberner sein als das Dogma, die Warenzirkulation bedinge ein notwendiges Gleichgewicht der Verkäufe

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commodities necessarily implies an equilibrium between sales and purchases.

↑ But this is, of course, exactly the argument of Say's law: the buyer gives money into the hands of the seller and therefore enables the seller to buy the commodity which the buyer has to sell. In other words, Say's law tries to make an inference from the direct identity of sale and purchase to an equilibrium between sales and purchases. ↓ According to Marx, such an inference can only be made if one gives it a tautological meaning:

If this means that the number of actual sales accomplished is equal to the number of purchases, it is a flat tautology. But it purports to show that every seller brings his own buyer to market with him. Nothing of the kind.

The Fowkes translation “but its real intention is” is incorrect.

The little sentence “nothing of the kind” (announcing the proof) is

absent in the German 4th and the French editions.

und Käufe, weil jeder Verkauf Kauf und vice versa.

Meint dies, daß die Zahl der wirklich vollzogenen Verkäufe gleich derselben Zahl von Käufen, so ist es platte Tautologie. Aber es soll beweisen, daß der Verkäufer seinen eigenen Käufer zu Markt führt.

After these denunciations Marx looks at the situation in more detail. Sale and purchase are at the same time identical acts and opposite poles. This is a contradiction. Marx re-describes this situation in such a way that it is no longer a logical contradiction: “being identical” and “being opposite poles” is now distributed over the transactors and the transaction itself:

Sale and purchase constitute one identical act, as an interaction between two persons assuming opposite roles like two poles, the commodity owner and the money owner.

Verkauf und Kauf sind ein identischer Akt als Wechselbeziehung zwischen zwei polarisch entgegengesetzten Personen, dem Warenbesitzer und dem Geldbesitzer.

↑ If you look at sale and purchase as two sides of one and the same transaction between two persons, then there is an ambiguity whether this transaction is a sale or a purchase; it is a sale for one and a purchase for the other. Marx said this already in 203:2. But there is no ambiguity regarding the role of the transactors: one is a seller and the other a buyer.

They constitute two acts of polar and opposite characters when carried out by one and the same person.

Sie bilden zwei polarisch entgegengesetzte Akte als Handlungen derselben Person

↑ By contrast, if you follow one person who first sells and then buys, then it is unambiguous which of these acts is a sale and which is a purchase. They form polar opposites. However all we can say about the person is that she is both a seller and a buyer; she sells first and then buys. Marx calls her simply “one and the same person.”

One might say that in the first situation, sale and purchase form an immediate unity, and in the second situation, they are two polar acts which are bound together by an inner unity. Since Say's law is an attempt to conclude from the immediate unity to the inner unity, Marx looks carefully at all the implications that can be drawn from this immediate unity:

The identity of sale and purchase implies therefore that the commodity is useless if, on being thrown into the alchemical retort of circulation, it does not come out again in the shape of money, i.e., if it is not sold by the commodity owner, i.e., bought by the money owner.

Die Identität von Kauf und Verkauf schließt daher ein, daß die Ware nutzlos wird, wenn sie, in die alchemistische Retorte der Zirkulation geworfen, nicht als Geld herauskommt, nicht vom Warenbesitzer verkauft, daher vom Geldbesitzer gekauft wird.

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↑ The commodity is not only useless for its producer or seller, but it cannot be used by anyone at all if it does not emerge from circulation as money. The transaction which moves the commodity into the hands of its final consumer is at the same time the realization of the value produced by the producer. The two sides of the transaction—realization of value and selection of use-value by the consumer—are inseparably bound together; one cannot be done without the other. If values cannot be realized, then use-values rot.

That identity further implies that the process, if it reaches fruition, constitutes a point of rest, an interval, long or short, in the life of the commodity. Since the first metamorphosis of a commodity is at once a sale and a purchase, this partial process is at the same time an independent process in itself. The buyer has the commodity, the seller has the money, i.e., a commodity which remains in a form capable of circulating, whether it reappears on the market at an earlier or later date.

Marx apparently uses here a logical rule according to which something, in order to have an independent existence, must contain its opposite in itself. He does not justify it by an appeal to a general rule but by looking at the specifics of the situation. The next two sentences summarize his arguments in concrete terms, without philosophical ballast:

No one can sell unless someone else purchases. But no one is forwith bound to purchase, because he has just sold.

This independence of the acts makes Say's law invalid. There is no need to purchase again right away because even after many years the same money will still be able to make purchases.

Question 460 (Fri Oct 8–Mon Oct 18) Formulate Say's Law. How is it proved? Which arguments does Marx bring to show that the proof is invalid? [2007SP](#), [2004fa](#), [2003fa](#).

Question 461 (Fri Oct 8–Mon Oct 18) Marx uses the following argument that Say's law is a fallacy: No one can sell unless someone else purchases. But no one is forwith bound to purchase, because he has just sold. Why does he need two pages for this? Does he bring any other arguments than the above two sentences? [2007SP](#).

After this refutation of Say's law, Marx continues his discussion of the unity and polarity of sale and purchase. ↓ It is a good thing that sale and purchase do not form an undissoluble unit but can be separated in time and space.

Circulation bursts through all the temporal, spatial, and individual barriers imposed by the direct exchange of products, and it does this by splitting up the direct identity present in the barter between the exchange of one's own product and the acquisition of someone else's into the two antithetical segments of sale and purchase.

Marx says two things here:

Jene Identität enthält ferner, daß der Prozeß, wenn er gelingt, einen Ruhepunkt, einen Lebensabschnitt der Ware bildet, der länger oder kürzer währen kann. Da die erste Metamorphose der Ware zugleich Verkauf und Kauf, ist dieser Teilprozeß zugleich selbstständiger Prozeß. Der Käufer hat die Ware, der Verkäufer hat das Geld, d.h. eine Ware, die zirkulationsfähige Form bewahrt, ob sie früher oder später wieder auf dem Markt erscheine.

Keiner kann verkaufen, ohne daß ein anderer kauft. Aber keiner braucht unmittelbar zu kaufen, weil er selbst verkauft hat.

Die Zirkulation sprengt die zeitlichen, örtlichen und individuellen Schranken des Produktaustausches ebendadurch, daß sie die hier vorhandne unmittelbare Identität zwischen dem Austausch des eignen und dem Eintausch des fremden Arbeitsprodukts in den Gegensatz von Verkauf und Kauf spaltet.

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1. Sale and purchase form an inner unity because they originate from splitting up the exchange process into two.
2. This splitting-up enables circulation to burst through any restrictions as to time, place, and individual.

In the French, the connection between points 1 and 2 is given a little more clearly:

After having sold, I am not forced to buy, neither at the same place, nor at the same time, nor from the same person to whom I have sold.

This is a good thing. But this splitting-up also has its downside. Marx arrives at this downside by a perspectival switch: the *unity* of opposites is also a unity of *opposites*.

To say that these two independent and antithetical processes have an intrinsic unity, are essentially one, is the same as to say that this intrinsic oneness expresses itself in an external antithesis.

In French this statement is less interconnected: "It is true that purchase is the necessary complement of sale; but it is no less true that their unity is the unity of opposites."

If therefore the externally independent evolution of two processes—which have an internal connection because they complement each other—proceeds to a certain point, their unity violently makes itself felt by producing—a crisis.

This is a definition of crisis, compare also the last two sentences of [mecw32]139/o, and the end of [mecw32]144/o, which has a more comprehensive definition, namely, also the forcible separation of moments which are essentially one, and *Grundrisse* 414:2–415:1, where this separation and reunification is formulated in terms of "forgetting" and "reminder."

Daß die selbständige einander gegenüberstehenden Prozesse eine innere Einheit bilden, heißt ebenso sehr, daß ihre innere Einheit sich in äußeren Gegensätzen bewegt.

Geht die äußerliche Verselbständigung der innerlich Unselbständigen, weil einander ergänzenden, bis zu einem gewissen Punkt fort, so macht sich die Einheit gewaltsam geltend durch eine—Krise.

Exam Question 462 How does Marx define a crisis? [2009fa](#), [2008fa](#), [2008SP](#), [2007SP](#), [2005fa](#).

Term Paper Topic 464 (Fri Dec 3–Mon Dec 6) Marxist Perspectives on the 2008 Financial Meltdown and the developments since then. [2009fa](#), [2008fa](#).

The externally independent representation of two aspects that form an inner unity has therefore two results: it allows circulation to burst through all restrictions of time and place, but it can also contain the possibility of crises.

However here the discussion of crises breaks off already. We arrived at the *possibility* of crisis but our development cannot lead us any further. In a concluding summary Marx explains that the actuality of crises cannot be derived from the laws of circulation:

Immanent in the commodity there is an antithesis between use-value and value, between private labor which must simultaneously manifest itself as directly social labor, and a particular concrete kind of labor which simultaneously counts as merely ab-

Der der Ware immanente Gegensatz von Gebrauchswert und Wert, von Privatarbeit, die sich zugleich als unmittelbar gesellschaftliche Arbeit darstellen muß, von besonderer konkreter Arbeit, die zugleich nur als abstrakt allgemeine Arbeit gilt, von Per-

3.2. Means of Circulation

stract general labor, between the personification of things and the reification of persons. This immanent contradiction obtains its developed forms of motion in the antithetical phases of the metamorphosis of the commodity. These forms therefore imply the possibility of crises, though no more than the possibility. For the development of this possibility into actuality a whole series of relations is required, which do not yet exist from the standpoint of the simple circulation of commodities.⁷³

The first sentence enumerates the three peculiarities of the equivalent form, see 148:1, and adds the fetish-like character as fourth peculiarity, as was done in *Contribution*.

⁷³ See my observations on James Mill in *A Contribution to the Critique etc.*, pp. 332:2–333. There are two points here which are characteristic of the methods of the bourgeoisie's economic apologists. The first is the identification of the circulation of commodities with the direct exchange of products, achieved by simply abstracting from their differences. The second is the attempt to deny the contradictions of the capitalist production process by dissolving the relations of the agents of capitalist production into the simple relationships arising from the circulation of commodities. The production and circulation of commodities are however phenomena which are to be found in the most diverse modes of production, even if they vary in extent and importance. If we are only familiar with the abstract categories of circulation, which are common to all of them, we cannot know anything of their *differencia specifica*, and we cannot therefore pronounce judgement on them. In no other science are elementary commonplaces mouthed with more self-importance than in political economy. For instance, J. B. Say sets himself up as a judge of crises because he knows that a commodity is a product.

sonifizierung des Sache und Versachlichung der Personen—dieser immanente Widerspruch erhält in den Gegensätzen der Warenmetamorphose seine entwickelten Bewegungsformen. Diese Formen schließen daher die Möglichkeit, aber auch nur die Möglichkeit der Krisen ein. Die Entwicklung dieser Möglichkeit zur Wirklichkeit erfordert einen ganzen Umkreis von Verhältnissen, die vom Standpunkt der einfachen Warenzirkulation noch gar nicht existieren.⁷³

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⁷³ Vergleiche meine Bemerkungen über James Mill, „Zur Kritik etc.“, p. 332:2–333. Zwei Punkte sind hier charakteristisch für die Methode der ökonomistischen Apologetik. Erstens die Identifizierung von Warenzirkulation und unmittelbarem Produktaustausch durch einfache Abstraktion von ihren Unterschieden. Zweitens der Versuch, die Widersprüche des kapitalistischen Produktionsprozesses wegzuleugnen, indem man die Verhältnisse seiner Produktionsagenten in die einfachen Beziehungen auflöst, die aus der Warenzirkulation entspringen. Warenproduktion und Warenzirkulation sind aber Phänomene, die den verschiedensten Produktionsweisen angehören, wenn auch in verschiednem Umfang und Tragweite. Man weiß also noch nichts von der *differentia specifica* dieser Produktionsweisen und kann sie daher nicht beurteilen, wenn man nur die ihnen gemeinschaftlichen, abstrakten Kategorien der Warenzirkulation kennt. In keiner Wissenschaft außer der politischen Ökonomie herrscht so große Wichtigerei mit elementarischer Gemeinplätzlichkeit. Z.B. J. B. Say nimmt sich heraus, über die Krisen abzuurteilen, weil er weiß, daß die Ware Produkt ist.

Question 465 (Fri Oct 8–Mon Oct 18) Marx said that the resolution of a real contradiction does not consist in its abolition but in the provision of “room in which it can move.” How does the metamorphosis of the commodity $C - M - C$ provide room for the contradictions of the direct barter, and in which respect does it still contain the possibility of crises? [2008fa](#).

Question 466 (Fri Oct 8–Mon Oct 18) Describe how and why commodity circulation contains the possibility of crisis. [2009fa](#), [2008fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2002fa](#), [1999SP](#), [1998WI](#).

3. Money or the Circulation of Commodities

In the fourth German edition, the following paragraph provides a transition to the next subsection:

209:1 As mediator of the circulation of commodities, money obtains the function of means of circulation.

128:1 Als Vermittler der Warenzirkulation erhält das Geld die Funktion des Zirkulationsmittels.

This short paragraph should be on p. 209:1 in the Vintage edition, but

it is not. Did they forget to typeset it?

3.2.b. The Flow of Money

The first section of chapter Three, section 3.1, discussed money as a measure of value, and the corresponding relative form of value, namely, the price form of commodities. We are in the middle of the second section 3.2, which shows how these forms give rise to a process. In subsection 3.2.a, this process was looked at from the angle of the commodity. Now it will be looked at from the angle of money.

This subsection is not assigned as a reading but available for a term paper.

Term Paper Topic 468 (*Tue Oct 19–Thu Oct 21*) *Essay about Chapter Three, Section 2.b: The Flow of Money* [2008fa](#), [2007SP](#), [2004fa](#).

3.2.c. Coins and Symbols of Value

This subsection deals with yet another form accruing to money, which springs not from a change in the relative form of value, as those discussed in section 3.1, but from the circulation process. Since the price of the commodities must be physically present as means of circulation, it is no longer sufficient that a certain unit of gold is by law designated a dollar; it also must be readily available for circulation, i.e., must be minted.

This subsection is not assigned as a reading but available for a term paper.

Term Paper Topic 470 (*Tue Oct 19–Thu Oct 21*) *Essay about Chapter Three, Section 2.c: Coins and Symbols of Value* [2008fa](#), [2001fa](#), [2000fa](#).

3.3. Money

A parallel and more detailed development of the following brief paragraph can be found in *Contribution*, 357:2/o. A very interesting two-page passage in the original text of *Contribution*, [mecw29]508:2–[mecw29]510:2, can be considered an even more detailed version of this.

227:1 The commodity which functions as the *measure of value* and therefore also, either in its own body or through a representative, as the *medium of circulation*, is *money*.

143:1/o Die Ware, welche als *Wertmaß* und daher auch, leiblich oder durch Stellvertreter, als *Zirkulationsmittel* funktioniert, ist *Geld*.

In the first section of chapter Three, p. 188:2, Marx had written “it is at first only by this function (general measure of value) that gold, the specific equivalent commodity, becomes money.” This formulation “becomes money” had indicated that the function of gold as measure of value is the beginning of a social process by which gold is turned into money.

3.3. Money

When entering the second section of chapter Three, which discusses the practical activities of the commodity traders in the market, Marx argues that the function of money as a specific equivalent commodity makes it the obvious choice for a *means of circulation*. Even though this choice is obvious, a social act is necessary to in fact make this choice, i.e., to use the same commodity that is the measure of values also as means of circulation.

If this choice is made, i.e., if the same commodity has *both* functions, then it is money. This is not only how Marx defines money, but Marx claims that this is a “real definition.” If definitions carve up reality into chunks, real definitions carve reality where reality itself has its joints. It will become clear in this section here that the coincidence of the two functions of measure of value and means of circulation entails new powers. Marx describes here how money so-to-say creeps out of circulation: although both functions (measure of value and means of circulation) are necessary in circulation, their *coincidence* is not—yet this coincidence is an inevitable result of circulation.

Since at Marx’s time gold was the commodity which performed these two functions, Marx concludes:

Gold (or silver) is therefore money.

| Gold (resp. Silber) ist daher Geld.

Question 471 (*Tue Oct 19–Thu Oct 21*) Marx defines money as the commodity which at the same time functions as measure of value and means of circulation. How does he justify this definition of money? Is there a commodity today which has these two functions? Is there money today? [2008fa](#), [2007SP](#), [2005fa](#), [2004fa](#).

If gold is money, this does not mean that gold always functions *as* money; often it only functions as measure of value or means of circulation. Next Marx defines those situations in which gold indeed functions as *money*:

It functions *as money*, on the one hand when it has to appear in person as gold, as the money commodity, i.e., neither merely notional, as when it is the measure of value, nor in a capacity in which it can be represented, as when it is the medium of circulation. On the other hand it functions as money when its function, whether performed in person or by a representative, fixes it as the *sole form of value*, or, in other words, as the *only adequate form of existence of exchange-value*, versus all the other commodities as mere *use-values*.

Als *Geld* funktioniert es, einerseits wo es in seiner goldenen (resp. silbernen) Leiblichkeit erscheinen muß, daher als *Geldware*, also weder bloß ideell, wie im Wertmaß, noch repräsentationsfähig, wie im Zirkulationsmittel; andererseits wo seine Funktion, ob es selbe nun in eigner Person oder durch Stellvertreter vollziehe, es als *alleinige Wertgestalt* oder *allein adäquates Dasein des Tauschwerts* allen andren Waren als bloßen *Gebrauchswerten* gegenüberfixiert.

↑ How can you tell that money functions as money? Marx uses here the criterion: if it is not notional (as in measure of value) and not capable of representation (as in means of circulation) then it is money.

Marx describes here an instance of emergence: as measure of value and means of circulation money is the representative, the servant, of commodities. It is less than the commodities, because it has no use-value. But out of this role as a servant grows its role as king: instead of being the *representative* of real wealth, monetary wealth now seems to be more real than wealth in form of commodities, which are degraded to “mere” use-values. All this is developed in much more detail in *Contribution*, p. [358:1/o](#), where Marx quotes Boisguillebert saying:

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“Thus the slave of commerce has become its master ... The misery of the peoples is due to the fact that the slave has been turned into a master or rather into a tyrant.”

„Hier ist also der Sklave des Handels sein Herr geworden ... Das Elend der Völker kommt nur daher, daß man einen Herren oder vielmehr einen Tyrannen aus dem gemacht hat, der ein Sklave war.“

Question 472 (*Tue Oct 19–Thu Oct 21*) When does gold function as money as distinct from its function as measure of value or means of circulation? [2008fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#), [2000fa](#), [1999SP](#), [1998WI](#), [1997sp](#).

3.3.a. Hoarding

The German word translated here by “hoarding” is “Schatzbildung” (formation of a treasure), i.e., storing up of money so that at a later time it can be used as the general incarnation of wealth. This does not have the negative connotations of “unwillingness to share” connected with the English word “hoarding.”

227:2 The continuous circular movement of the two antithetical metamorphoses of commodities, or the repeated alternating flow of sale and purchase, is reflected in the unceasing turnover of money, in the function it performs as a *perpetuum mobile* of circulation.

144:1 Der kontinuierliche Kreislauf der zwei entgegengesetzten Warenmetamorphosen oder der flüssige Umschlag von Verkauf und Kauf erscheint im rastlosen Umlauf des Geldes oder seiner Funktion als *perpetuum mobile* der Zirkulation.

Marx recapitulates here the false appearance of money in circulation introduced earlier in [210:2/oo](#): money seems as restless as a *perpetuum mobile*. It seems to have the desire and the ability to move, without apparent goal or driving force. But this is an illusion. The flow of the means of circulation is the result of the metamorphoses of the *commodities*. As long as these metamorphoses are ongoing, money flows incessantly. However one can see that the flow of money is induced by the metamorphoses of the commodities when these metamorphoses are interrupted. In this case, the flow of money stops as well:

But as soon as the series of metamorphoses is interrupted, as soon as sales are not supplemented by subsequent purchases, money is immobilized. In other words, it is transformed, as Boisguillebert says, from ‘meuble’ into ‘immeuble’, from coin into money.

Es wird immobilisiert, oder verwandelt sich, wie Boisguillebert sagt, aus meuble in immeuble, aus Münze in Geld, sobald die Metamorphosenreihe unterbrochen, der Verkauf nicht durch den nachfolgenden Kauf ergänzt wird.

↑ Once the movement is interrupted, i.e., as soon as the commodity owners no longer immediately supplement their sales with purchases, the means of circulation is transformed from coin into money. Why does this interruption turn the coin into *money*? Because suddenly the coin is no longer a vanishing interlude between two commodities, which stays with each commodity owner only for a moment and then moves on, but now it is held by the same commodity owner for a longer time.

These interruptions in circulation are due to individual decisions not to buy after having sold. Next Marx gives specific reasons why the commodity owners might want to hold money instead of continuing the circulation process. ↓ Before going into the specifics, the next paragraph makes four preliminary remarks: (1) Historically, hoards are as old as commodity circulation itself, and the forms of hoards develop in tandem with commodity circulation. (2) Instead of giving *specific* reasons why people might want to hoard (they

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come in the subsequent paragraphs), Marx classifies these reasons here into “necessity” and “passion.” (3) A sale with the intention to hoard is no longer a phase in commodity circulation, but it becomes an end in itself. (4) Not only the sales transaction changes its economic form, but so does the money involved in this transaction.

227:3/o Together with the first development of the circulation of commodities there also develops the necessity and the passionate desire to hold fast to the product of the first metamorphosis, to hold fast to the transformed shape of the commodity, or its gold chrysalis.⁸⁶ Now, commodities are sold not in order to buy commodities, but in order to replace their commodity form with their money form. Instead of being merely a way of mediating the metabolic process, this change of form becomes an end in itself. The form of the commodity in which it is divested of content is prevented from functioning as its absolutely alienable form or even as its merely transient money form. The money is petrified into a hoard, and the seller of commodities becomes a hoarder of money.

144:2 Mit der ersten Entwicklung der Warenzirkulation selbst entwickelt sich die Notwendigkeit und die Leidenschaft, das Produkt der ersten Metamorphose, die verwandelte Gestalt der Ware oder ihre Goldpuppe festzuhalten.⁸⁶ Ware wird verkauft, nicht um Ware zu kaufen, sondern um Warenform durch Geldform zu ersetzen. Aus bloßer Vermittlung des Stoffwechsels wird dieser Formwechsel zum Selbstzweck. Die entäußerte Gestalt der Ware wird verhindert, als ihre absolut veräußerliche Gestalt oder nur verschwindende Geldform zu funktionieren. Das Geld versteinert damit zum Schatz, und der Warenverkäufer wird Schatzbildner.

Question 473 (*Tue Oct 19–Thu Oct 21*) Explain the individual motivation for hoarding money. Do these hoards have a function for the economy as a whole or only for the individual?
2009fa, 2008fa, 2008SP, 2007fa, 2007SP, 2004fa.

↑ In part, the development of money into hoard is the product of economic necessity (there are economic reasons why circulation must sometimes be interrupted), but in part it is due to individual activity, due to the fascination which individuals have with money, an utterly useful and powerful social product. This is one of the few places where individual agency is not only guided by the economic forms with which the individuals are confronted, but where it leads to the development of new forms. Another example is the decision how much of the surplus-value to invest. Here, too, individual motivation does not follow blindly the economic imperatives to accumulate, but the capitalists make choices how much to accumulate. In both of these cases, Marx surveys these individual motivations not in general, not in a vacuum, but traces the development of these individual motivations through history.

↓ (1) At the beginning of the circulation of commodities, only the *surplus* of the products becomes commodities, therefore the possession of gold and silver is an expression of surplus, wealth, luxury.

228:1 In the very beginnings of the circulation of commodities, it is only the excess amounts of use-value which are converted into money. Gold and silver thus become of themselves social expressions for superfluity or wealth.

144:3/o Grade in den Anfängen der Warenzirkulation verwandelt sich nur der Überschuss an Gebrauchswerten in Geld. Gold und Silber werden so von selbst zu gesellschaftlichen Ausdrücken des Überflusses oder des Reichtums.

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↑ Gold and silver are therefore not useful for everyday products, but only for products which represent luxury and wealth.

↓ In traditional modes of production with a fixed circle of needs, the development of hoards is arrested at this stage:

This naïve form of hoarding is perpetuated among those peoples whose traditional mode of production, aimed at fulfilling their own requirements, corresponds to a fixed and limited range of needs. This is true of the Asiatics, particularly the Indians.

↓ (2) With the further development of commodity production, every commodity producer needs a reserve for his living while he produces his commodity, or for emergencies. Thus, at all points of commodity circulation, hoards are created:

228:2/oo As the production of commodities further develops, every producer of commodities is compelled to make sure of the nexus rerum or the social pledge.⁸⁸ His wants are constantly making themselves felt, and necessitate the continual purchase of other people's commodities, while the production and sale of his own goods require time, and depend upon circumstances. In order then to be able to buy without selling, he must have sold previously without buying.

↓ Everywhere, the individuals are therefore motivated to accumulate hoards, but how are these hoards possible? How can everybody sell without buying? A brief digression clarifies this point:

This operation, conducted on a general scale, seems to contradict itself. The precious metals, at the sources of their production, however are directly exchanged for other commodities. Here we have sales (by the owners of commodities) without purchases (by the owners of gold or silver).⁸⁹

Diese naive Form der Schatzbildung verewigt sich bei Völkern, wo der traditionellen und auf Selbstbedarf gerichteten Produktionsweise ein fest abgeschloßner Kreis von Bedürfnissen entspricht. So bei den Asiaten, namentlich den Indern.

145:1–2 Mit mehr entwickelter Warenproduktion muß jeder Warenproduzent sich den nervus rerum, das „gesellschaftliche Faustpfand“ sichern.⁸⁸ Seine Bedürfnisse erneuern sich unaufhörlich und gebieten unaufhörlichen Kauf fremder Ware, während Produktion und Verkauf seiner eignen Ware Zeit kosten und von Zufällen abhängen. Um zu kaufen, ohne zu verkaufen, muß er vorher verkauft haben, ohne zu kaufen.

Exam Question 474 Give an example of a transaction between P and Q in which P sells to Q but Q does not purchase from P. [2009fa](#), [2008fa](#).

Any subsequent sales, by other producers, unfollowed by purchases, merely bring about the distribution of the newly produced precious metals among all the owners of commodities. In this way, all along the line of exchange, hoards of gold and silver of varied extent are accumulated.

Diese Operation, auf allgemeiner Stufenleiter ausgeführt, scheint sich selbst zu widersprechen. An ihren Produktionsquellen jedoch tauschen sich die edlen Metalle direkt mit andren Waren aus. Es findet hier Verkauf (auf Seite der Warenbesitzer) ohne Kauf (auf Seite der Gold- und Silberbesitzer) statt.⁸⁹

Und spätere Verkäufe ohne nachfolgende Käufe vermitteln bloß die weitere Verteilung der edlen Metalle unter alle Warenbesitzer. So entstehen auf allen Punkten des Verkehrs Gold- und Silberschätze vom verschiedensten Umfang.

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⁸⁹ A purchase, in a categorical sense, implies that gold and silver are already the converted form of commodities, or the product of a sale.

The sales without subsequent purchases on the part of the hoarders are balanced by purchases without prior sales on the part of the gold producers (although Marx does not call it “purchase” but a “direct exchange of two commodities.”). Each commodity producer who builds up a hoard withdraws money from circulation and fails to buy after having sold. This missing gold is then supplied by the gold producers, who receive those commodities which the hoarders did not buy in exchange for their newly minted gold.

Question 475 (*Tue Oct 19–Thu Oct 21*) *Is the transaction by which the gold producer trades his product for the use-values he needs a purchase or a barter?*

↓ (3) The development of commodity production not only requires the ubiquitous generation of hoards, but also increases the greed for gold:

With the possibility of holding and storing up exchange-value in the shape of a particular commodity, arises also the greed for gold. Along with the extension of circulation, increases the power of money, that absolute and ever ready social form of wealth.

“Gold is a wonderful thing! Whoever possesses it is lord of all he wants. By means of gold one can even get souls into Paradise.”
(Columbus in his letter from Jamaica, 1503.)

The power of gold is increased here because it no longer represents luxury but *all* material wealth. The next step is: (4) gold represents more than material wealth:

229:0/o Since gold does not disclose what has been transformed into it, everything, commodity or not, is convertible into gold. Everything becomes saleable and buyable. The circulation becomes the great social retort into which everything is thrown, to come out again as a gold-crystal. Nothing is immune to this alchemy; the bones of saints cannot withstand it, let alone certain other, more delicate, sacred things beyond human commerce.⁹⁰

In the German edition, Marx switched in this passage from “Gold” to “Geld”, i.e. he no longer speaks about gold but about money. The Moore-Aveling

translation still speaks about “gold” here and makes the switch to “money” only in the next passage. Presumably this switch was delayed because Marx uses

⁸⁹ Kauf im kategorischen Sinn unterstellt nämlich Gold oder Silber schon als verwandelte Gestalt der Ware oder als Produkt des Verkaufs.

Mit der Möglichkeit, die Ware als Tauschwert oder den Tauschwert als Ware festzuhalten, erwacht die Goldgier. Mit der Ausdehnung der Warenzirkulation wächst die Macht des Geldes, der stets schlagfertigen, absolut gesellschaftlichen Form des Reichtums.

„Gold ist ein wunderbares Ding! Wer dasselbe besitzt, ist Herr von allem, was er wünscht. Durch Gold kann man sogar Seelen in das Paradies gelangen lassen.“ (Columbus, im Brief aus Jamaica, 1503.)

145:3/o Da dem Geld nicht anzusehn, was in es verwandelt ist, verwandelt sich alles, Ware oder nicht, in Geld. Alles wird verkäuflich und kaufbar. Die Zirkulation wird die große gesellschaftliche Retorte, worin alles hineinfliest, um als Geldkristall wieder herauszukommen. Dieser Alchemie widerstehn nicht einmal Heiligenknochen und noch viele minder grobe res sacrosanctae, extra commercium hominum.⁹⁰

“crystal” and “alchemy” as a metaphors here (“alchemy” refers to the attempts of early chemists to synthesize gold).

⁹⁰ Henry III., most Christian king of France, robbed cloisters of their relics, and turned them into money. It is well known what part the de-

⁹⁰ Heinrich III., allerchristlichster König von Frankreich, raubt Klöstern usw. ihre Reliquien, um sie zu versilbern. Man weiß, welche Rolle der

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spoiling of the Delphic Temple, by the Phocians, played in the history of Greece. Temples with the ancients served as the dwellings of the gods of commodities. They were “sacred banks.” With the Phoenicians, a trading people par excellence, money was the transmuted shape of everything. It was, therefore, quite in order that the virgins, who, at the feast of the Goddess of Love, gave themselves up to strangers, should offer to the goddess the piece of money they received.

(5) The next step of Marx’s discussion of the social power of money is: Money not only conveys wealth and things other than wealth, but it also transforms its owner: Just as every qualitative difference between commodities is extinguished in money, so money, on its side, like the radical leveller that it is, does away with all distinctions.⁹¹

⁹¹ “Gold, yellow, glittering, precious gold!
Thus much of this, will make black white, foul,
fair;
Wrong, right; base, noble; old, young; coward,
valiant.
... What this, you gods? Why, this
Will lug your priests and servants from your
sides;
Pluck stout men’s pillows from below their
heads;
This yellow slave
Will knit and break religions; bless the accurs’d;
Make the hoar leprosy ador’d; place thieves,
And give them title, knee and approbation;
With senators on the bench, this is it;
That makes the wappen’d widow wed again:
... Come damned earth,
Though common whore of mankind.”

^{91 ctd} (Shakespeare, *Timon of Athens*, Act 4, Scene 3.)

All this social power is vested in an object, which can become the private property of anybody. Therefore money is denounced in antiquity, but revered in modern society:

But money itself is a commodity, an external object, capable of becoming the private property of any individual. Thus social power becomes the private power of private persons. The ancients therefore denounced money as subversive of the economic and moral order of things.⁹²

⁹² ‘Nothing so evil as money ever grew to be current among men.
This lays cities low, this drives men from their homes,

Raub der delphischen Tempelschätze durch die Phokaer in der griechischen Geschichte spielt. Dem Gott der Waren dienten bei den Alten bekanntlich die Tempel zum Wohnsitz. Sie waren „heilige Banken“. Den Phöniziern, einem Handelsvolke par excellence, galt Geld als die entäußerte Gestalt aller Dinge. Es war daher in der Ordnung, daß die Jungfrauen, die sich an den Festen der Liebesgöttin den Fremden hingaben, das zum Lohn empfangene Geldstück der Göttin opferten.

(5) The next step of Marx’s discussion of the social power of money is: Money not only conveys wealth and things other than wealth, but it also transforms its owner:

Wie im Geld aller qualitative Unterschied der Waren ausgelöscht ist, löscht es seinerseits als radikaler Leveller alle Unterschiede aus.⁹¹

⁹¹ „Gold! kostbar, flimmernd, rotes Gold!
Soviel hievon, macht schwarz weiß, häßlich
schön
Schlecht gut, alt jung, feig tapfer, niedrig edel.
... Ihr Götter! warum dies? warum dies, Götter;
Ha! dies lockt Euch den Priester vom Altar;
Reißt Halbgemeinen weg das Schlummerkissen;
Ja dieser rote Sklave löst und bindet
Geweihte Bande; segnet den Verfluchten;
Er macht den Aussatz lieblich; ehrt den Dieb,
Und gibt ihm Rang, gebeugtes Knie und Einfluß
Im Rat der Senatoren; dieser führt
Der überjähr’gen Witwe Freier zu;
... Verdamm’t Metall,
Gemeine Hure du der Menschen.“

^{91 ctd} (Shakespeare, „Timon of Athens“.)

Das Geld ist aber selbst Ware, ein äußerlich Ding, das Privateigentum eines jeden werden kann. Die gesellschaftliche Macht wird so zur Privatmacht der Privatperson. Die antike Gesellschaft denunziert es daher als die Scheidemünze ihrer ökonomischen und sittlichen Ordnung.⁹²

⁹² „Denn kein so schmählich Übel, wie des Geldes Wert
Erwuchs den Menschen: dies vermag die Städte selbst

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this trains and warps honest souls
till they set themselves to works of shame—
this still teaches folk to practise villanies,
and to know every godless deed.’
(Sophocles, Antigone.)

Zu brechen, dies treibt Männer aus von Hof und
Herd;
Dies unterweiset und verkehrt den edlen Sinn
Rechtschaff’ner Männer, nachzugeh’n ruchloser
Tat,
Zeigt an die Wege böser List den Sterblichen
Und bildet sie zu jedem gottverhaßten Werk.“
(Sophokles, „Antigone“.)

↓(6) In modern capitalism, monetary hoards are not only an individual peculiarity, but the incarnation of a social principle:

Modern society, which, soon after its birth, pulled Plutus by the hair of his head from the bowels of the earth,⁹³ greets gold as its Holy Grail, as the glittering incarnation of the very principle of its own life.

⁹³ ‘Avarice hopes to drag Pluto himself out of the bowels of the earth’ (Athenaeus, *Deipnosophistae*).

Die moderne Gesellschaft, die schon in ihren Kinderjahren den Plutus an den Haaren aus den Eingeweiden der Erde herauszieht,⁹³ begrüßt im Goldgral die glänzende Inkarnation ihres eigensten Lebensprinzips.

⁹³ „Der Geiz hofft Pluton selbst aus dem Innern der Erde zu ziehen.“ (Athen[aeus], „*Deipnos*“.)

This concludes Marx’s discussion of the evolution of the social power of gold. Originally, gold only represented surplus and luxury consumption. With the development of commodity production, it comes to represent any material wealth. By extension, it represents also other things that are not commodities or not wealth. Since all this social power is wielded by a material object which can be owned by anyone, these social powers are reflected on the personality of the money owner. Finally, in modern capitalism, money not only represents personal power but also a social principle.

This survey of attitudes towards money over the centuries teaches us: individuals react to the fact that money not only represents material wealth but also social wealth.

After this survey of the different ways individuals conceived of and handled money over the millennia, Marx discusses now the structural reasons calling forth this individual reaction to money. This is an important passage introducing what might be called the “spell” implied in the money form. Although this spell is discussed here as the driving force behind the miser, we will see later that it is also the driving force behind the capitalist:

230:1/o The commodity, as a use-value, satisfies a particular need and forms a particular element of material wealth. But the value of a commodity measures the strength with which it attracts all other elements of material wealth, i.e., it measures the social wealth of its owner.

147:1 Die Ware als Gebrauchswert befriedigt ein besondres Bedürfnis und bildet ein besondres Element des stofflichen Reichtums. Aber der Wert der Ware mißt den Grad ihrer Attraktionskraft auf alle Elemente des stofflichen Reichtums, daher den gesellschaftlichen Reichtum ihres Besitzers.

Fowkes’s “degree of attractiveness for” is an incorrect translation of “*Grad ihrer Attraktionskraft auf*” since it reverses the attractor and the attractee. It also suggests a

utility theory of value. The Moore-Aveling “degree of attraction for” is a little better, though I think it should have been “degree of attraction of.” I tried to

translate it in such a way that it is unambiguous’ that the commodity attracts instead of being attracted by or attractive to social wealth.

Marx distinguishes here between material wealth and social wealth. Once this social wealth is available in the pure form of money, it overshadows material wealth:

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To the commodity owner in primitive societies, and even to the peasant of Western Europe, value is inseparable from the value form, hence an increase of the hoard of gold and silver is an increase in value.

But is this indirectness of money, which is one step removed from real wealth, since it first has to be exchanged into use-values, not an obstacle?

It is true that the value of money varies, whether as a result of a variation in its own value, or of a change in the values of commodities. But this on the one hand does not prevent 200 ounces of gold from continuing to contain more value than 100 ounces, nor on the other hand does it prevent the metallic natural form of this object from continuing to be the universal equivalent form of all other commodities, and the directly social incarnation of all human labor.

The indirectness of social wealth even becomes a practical advantage: since money is general equivalent, it allows to save for future use-values without having to commit to any particular use-value.

The drive to hoard is insatiable by its nature. Qualitatively or formally considered, money is unlimited: it is the universal representative of material wealth because it is directly convertible into any other commodity. But at the same time every actual sum of money is quantitatively limited, and therefore has only a limited efficacy as a means of purchase. This contradiction between the quantitative limitation and the qualitative unlimited character of money drives the miser again and again back to his Sisyphean task: accumulation. He is in the same situation as a world conqueror, who discovers a new boundary with each country he annexes.

The miser is driven to accumulate more and more money because qualitatively, money is universal, it can be converted into every use-value. But quantitatively it is limited, and in an effort to make its quantity as universal as its quality, the miser hoards more and more money. But however much money he has, it is never enough. Note that this is a non-psychological explanation of greed. The miser is trapped in a contradiction inherent in the social forms which organize production in a market economy. Since the miser has inherited his drive to accumulate from a contradiction, it is not surprising that the means by which he tries to reach his goal are riddled with contradictions as well:

231:1 In order that gold may be held as money, and made to form a hoard, it must be

Dem barbarisch einfachen Warenbesitzer, selbst einem westeuropäischen Bauer, ist der Wert unzertrennlich von der Wertform, Vermehrung des Gold- und Silberschatzes daher Wertvermehrung.

But is this indirectness of money, which is one step removed from real wealth, since it first has to be exchanged into use-values, not an obstacle?

Allerdings wechselt der Wert des Geldes, sei es infolge seines eigenen Wertwechsels, sei es des Wertwechsels der Waren. Dies verhindert aber einerseits nicht, daß 200 Unzen Gold nach wie vor mehr Wert enthalten als 100, 300 mehr als 200 usw., noch anderseits, daß die metallne Naturalform dieses Dings die allgemeine Äquivalentform aller Waren bleibt, die unmittelbar gesellschaftliche Inkarnation aller menschlichen Arbeit.

Der Trieb der Schatzbildung ist von Natur maßlos. Qualitativ oder seiner Form nach ist das Geld schrankenlos, d.h. allgemeiner Repräsentant des stofflichen Reichtums, weil in jede Ware unmittelbar umsetzbar. Aber zugleich ist jede wirkliche Geldsumme quantitativ beschränkt, daher auch nur Kaufmittel von beschränkter Wirkung. Dieser Widerspruch zwischen der quantitativen Schranke und der qualitativen Schrankenlosigkeit des Geldes treibt den Schatzbildner stets zurück zur Sisyphusarbeit der Akkumulation. Es geht ihm wie dem Welteroberer, der mit jedem neuen Land nur eine neue Grenze erobert.

147:2 Um das Gold als Geld festzuhalten und daher als Element der Schatzbil-

prevented from circulating, or from dissolving into the means of purchasing enjoyment. The miser therefore sacrifices the lusts of his flesh to the fetish of gold. He takes the gospel of abstinence very seriously. On the other hand, he cannot withdraw any more from circulation, in the shape of money, than he has thrown into it, in the shape of commodities. The more he produces, the more he can sell. Work, thrift and greed are therefore his three cardinal virtues, and to sell much and buy little is the sum of his political economy.⁹⁴

⁹⁴ ‘These are the pivots around which all the measures of political economy turn—the maximum possible increase in the number of sellers of each commodity, and the maximum possible decrease in the number of buyers.’ Verri [Ver04, p. 52, 53].

dung, muß es verhindert werden zu zirkulieren oder als Kaufmittel sich in Genußmittel aufzulösen. Der Schatzbildner opfert daher dem Goldfetisch seine Fleischeslust. Er macht Ernst mit dem Evangelium der Entzagung. Andrseits kann er der Zirkulation nur in Geld entziehn, was er ihr in Ware gibt. Je mehr er produziert, desto mehr kann er verkaufen. Arbeitsamkeit, Sparsamkeit und Geiz bilden daher seine Kardinaltugenden, viel verkaufen, wenig kaufen, die Summe seiner politischen Ökonomie.⁹⁴

⁹⁴ „Die Zahl der Verkäufer jeder Ware soweit wie möglich zu vermehren, die Zahl der Käufer soweit wie möglich zu vermindern, das sind die Angelpunkte, um die sich alle Maßnahmen der politischen Ökonomie drehen.“ Verri [Ver04, p. 52, 53].

Question 478 (*Tue Oct 19–Thu Oct 21*) *What is the relation between Marx’s theory of a miser and Keynes’s “paradox of thrift”?* [2008fa](#), [2008SP](#), [2003fa](#), [2002fa](#), [2001fa](#), [1999SP](#).

The miser pursues his objectives in a ridiculous and contradictory way:

1. He has to renounce on consumption, i.e., has to make himself poor in order to get rich.
2. As long as he has wealth in the form of money, it is of as much use for him as if the gold were buried in the mountains. But if the miser wants to get wealth in its real form, he has to give away money, i.e., he will lose his hoard.

Question 479 (*Tue Oct 19–Thu Oct 21*) *Describe the inner contradiction of monetary abstract wealth which determine the goals of a miser, and the ridiculous contradiction of the means by which he is trying to reach this goal.* [2009fa](#), [2008fa](#), [2003fa](#), [2002fa](#), [2001fa](#), [1999SP](#), [1998WI](#), [1997ut](#), [1997sp](#).

Gold and silver can be used to make beautiful things which display the wealth of their owner (and which are also more difficult to steal than anonymous gold coins).

231:2 Alongside the direct form of the hoard there runs its aesthetic form, the possession of commodities made out of gold and silver. This grows with the wealth of civil society. ‘Let us be rich, or let us appear rich’ (Diderot). In this way there is formed, on the one hand, a constantly expanding market for gold and silver which is independent of their monetary functions, and on the other hand a latent source of monetary in-

147:3/o Neben der unmittelbaren Form des Schatzes läuft seine ästhetische Form, der Besitz von Gold- und Silberwaren. Er wächst mit dem Reichtum der bürgerlichen Gesellschaft. „Soyons riches ou paraissions riches.“ (Diderot.) Es bildet sich so teils ein stets ausgedehnterer Markt für Gold und Silber, unabhängig von ihren Geldfunktionen, teils eine latente Zufuhrquelle des Geldes, die namentlich in gesellschaftlichen Sturm-

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flow which is used particularly in periods of social storms.

The functions which hoards play for the circulation process are discussed at the very end, since these are by no means the only reason for the existence of these hoards. There is a clear divergence between individual motivation for hoarding, and its economic function.

231:3/o Hoarding serves various functions in an economy where metallic circulation prevails. Its first function arises out of the conditions of the circulation of gold and silver coins. We have seen how, owing to the continual fluctuations in the extent and rapidity of the circulation of commodities and in their prices, the quantity of money in circulation unceasingly ebbs and flows. This quantity must therefore be capable of expansion and contraction. At one time money must be attracted as coin, at another time coin must be repelled as money. In order that the mass of money actually in circulation may always correspond to the saturation level of the sphere of circulation, it is necessary for the quantity of gold and silver available in a country to be greater than the quantity functioning as coin. This condition is fulfilled by money taking the form of hoards. The reserves created by hoarding serve as channels through which money may flow in and out of circulation, so that the circulation itself never overflows its banks.⁹⁶

95 ‘There is required for carrying on the trade of the nation a determinate sum of specifick money, which varies, and is sometimes more sometimes less as the circumstances we are in require ... This ebbing and flowing of money supplies and accommodates itself, without any aid of Politicians ... The buckets work alternately; when money is scarce, bullion is coined, when bullion is scarce, money is melted’ Sir D. North, [Nor91, Postscript, p. 3]. John Stuart Mill, who was for a long time an official of the East India Company, confirms that in India silver ornaments still continue to perform directly the functions of a hoard: ‘Silver ornaments are brought out and coined when there is a high rate of interest, and go back again when the rate of interest falls’ (J. S. Mill’s evidence, in Report from the Select Committee on the Bank Acts, 1857, n. 2084, 2101). According to a parliamentary document

perioden fließt.

148:1 Die Schatzbildung erfüllt verschiedene Funktionen in der Ökonomie der metallischen Zirkulation. Die nächste Funktion entspringt aus den Umlaufsbedingungen der Gold- oder Silbermünze. Man hat gesehen, wie mit den beständigen Schwankungen der Warenzirkulation in Umfang, Preisen und Geschwindigkeit die Umlaufsmasse des Geldes rastlos ebbt und flutet. Sie muß also der Kontraktion und Expansion fähig sein. Bald muß Geld als Münze attrahiert, bald Münze als Geld repelliert werden. Damit die wirklich umlaufende Geldmasse dem Sättigungsgrad der Zirkulationssphäre stets entspreche, muß das in einem Lande befindliche Gold- oder Silberquantum größer sein als das in Münzfunktion begriffene. Diese Bedingung wird erfüllt durch die Schatzform des Geldes. Die Schatzreservoirs dienen zugleich als Abfuhr- und Zufuhrkanäle des zirkulierenden Geldes, welches seine Umlaufskanäle daher nie überfüllt.⁹⁵

⁹⁵ „Um Handel zu treiben, bedarf jede Nation einer bestimmten Summe von specifick money, die wechselt und manchmal größer, manchmal kleiner ist, so wie es die Verhältnisse fordern ... Diese Ebben und Fluten des Geldes regeln sich selbst ohne jede Hilfe der Politiker ... Die Eimer arbeiten abwechselnd: wenn das Geld knapp ist, werden Barren gemünzt; sind Barren knapp, werden Münzen eingeschmolzen.“ Sir D. North, [Nor91, Postscript, p. 3]. John Stuart Mill, lange Zeit Beamter der Ostindischen Kompanie, bestätigt, daß in Indien immer noch der Silberschmuck unmittelbar als Schatz funktioniert. Die „silbernen Schmuckstücke werden zum Ausmünzen gebracht, wenn ein hoher Zinsatz besteht; sie wandern zurück, wenn der Zinsatz fällt“. (J. St. Mills Evidence [in] „Repts. on Bankacts“, 1857, n. 2084, 2101.) Nach einem parlamentarischen Dokument von 1864 über

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of 1864 on the gold and silver import and export of India, the import of gold and silver in 1863 exceeded the export by £19,367,764. During the eight years up to 1864, the excess of imports over exports of the precious metals amounted to £109,652,917. During this century far more than £200,000,000 has been coined in India.

Gold- und Silberimport und -export in Indien überstieg 1863 der Import von Gold und Silber den Export um 19 367 764 Pfd.St. In den letzten 8 Jahren vor 1864 betrug der Excess des Imports über den Export der eden Metalle 109 652 917 Pfd.St. Während dieses Jahrhunderts wurden weit über 200 000 000 Pfd.St. in Indien gemünzt.

Economic function of hoard: absorb the varying mass of gold required as means of circulation. In those countries which had metallic circulation this was an important phenomenon.

3.3.b. Means of Payment

Money can function as money even if it is not withdrawn from circulation. Marx brings two more forms in which money functions as money: means of payment (subsection 3.3.b) and world money (subsection 3.3.c). Money also functions as money when it is advanced as capital, but since capital has not yet been defined, this is not discussed here (compare the end of footnote 98 to paragraph 234:1 below).

Subsection 3.3.b, about means of payment, follows closely the longer explanation in *Contribution*, p. 370:1/o.

232:1/o In the direct form of commodity circulation hitherto considered, a given value was always present twice: as a commodity at one pole, and money at the opposite pole. The owners of commodities therefore came into contact only as the representatives of simultaneously present equivalents.

148:2/o In der bisher betrachteten unmittelbaren Form der Warenzirkulation war dieselbe Wertgröße stets doppelt vorhanden, Ware auf dem einen Pol, Geld auf dem Gegenpol. Die Warenbesitzer traten daher nur in Kontakt als Repräsentanten wechselseitig vorhandner Äquivalente.

Fowkes again puts an epistemic gloss on it: In the direct form of commodity circulation hitherto considered, we found a given

value always presented to us in a double shape, as a commodity at one pole, and money at the opposite pole.

He also mis-translates “vorhandner” as “existing” instead of “present.”

↑ Until now the assumption was made that all purchases are paid in cash. In such cash transactions, the equivalents *C* and *M* are present at the same place and time. This simultaneous presence was tacitly assumed until now. But it is not essential for commodity exchange: But with the development of circulation, conditions arise under which the alienation of the commodity becomes separated in time from the realization of its price. It will be sufficient to indicate the simplest of these conditions. One sort of commodity requires a longer, another a shorter time for its production. The production of different commodities depends on different seasons of the year. One commodity may be born in the market place, another must travel to a distant market. One commodity owner may

Mit der Entwicklung der Warenzirkulation entwickeln sich jedoch Verhältnisse, wodurch die Veräußerung der Ware von der Realisierung ihres Preises zeitlich getrennt wird. Es genügt, die einfachsten dieser Verhältnisse hier anzudeuten. Die eine Warenart erheischt längere, die andere kürzere Zeitspanne zu ihrer Produktion. Die Produktion verschiedener Waren ist an verschiedene Jahreszeiten geknüpft. Die eine Ware wird auf ihrem Markt geboren, die andre muß zu entferntem Markt reisen. Der ei-

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therefore step forth as a seller before the other is ready to buy.

↑ So far, Marx gave some illustrative examples where the commodity is ready to be transferred to the buyer, but the money to pay for it is not yet available—perhaps because the buyer has not yet sold his own commodity, which takes a long time to produce or only comes forward seasonally, or the buyer is far away and the commodity has to be transported, etc. ↓ Next Marx gives two more systematic criteria when this is the case:

When the same transactions are continually repeated between the same persons, the conditions of sale are regulated according to the conditions of production.

↑ First basic situation: if regularly the same transactions occur between the same transactors, then mutual trust develops, people co-operate directly. The synchronization in time between money and commodity turns out to be bothersome, and the terms of commodity circulation are instead governed by the conditions of production (and also, although Marx does not mention this, of the final sale) of the products.

On the other hand, the use of certain kinds of commodity (houses, for instance) is sold for a definite period. Only after the lease has expired has the buyer actually received the use-value of the commodity. He therefore buys it before he pays for it.

↑ The second basic situation does not have to do with technology of production but with the incentive structure. The modern economic term is “time inconsistency.” The seller will not get the money until he has delivered the goods. For instance, the worker will not get his wage until after he has finished working. Marx also brings the example of renting a house. This example does not apply in modern practice, since rent must be paid in advance — because otherwise the renter might skip out before the end of the month. The purchase of labor-power, by contrast, is the classic example in which the purchase price is paid *after* the commodity is fully delivered. ↓ These circumstances create new forms:

The seller sells an existing commodity, the buyer buys as the mere representative of money, or rather as the representative of future money. The seller becomes a creditor, the buyer becomes a debtor. Since the metamorphosis of commodities, or the development of their form of value, has undergone a change here, money receives a new function as well. It becomes means of payment.⁹⁶

Note that interest or discount payments do not play a role in this derivation of the function of money as means of payment. The means of payment is not a capitalist function but flows from the exigencies of circulation alone.

⁹⁶ [Note by Engels to the fourth German edition:] Luther distinguishes between money as means of purchase and means of payment: ‘You have caused me to suffer two-fold damage, because I cannot pay on the one hand and cannot buy on the other’ (Martin Luther, *An die Pfarr-*

ne Warenbesitzer kann daher als Verkäufer auftreten, bevor der andre als Käufer.

Bei steter Wiederkehr derselben Transaktionen unter denselben Personen regeln sich die Verkaufsbedingungen der Waren nach ihren Produktionsbedingungen.

Andrerseits wird die Benutzung gewisser Warenarten, z.B. eines Hauses, für einen bestimmten Zeitraum verkauft. Erst nach Ablauf des Termins hat der Käufer den Gebrauchswert der Ware wirklich erhalten. Er kauft sie daher, bevor er sie zahlt.

Der eine Warenbesitzer verkauft vorhandene Ware, der andre kauft als bloßer Repräsentant von Geld oder als Repräsentant von künftigem Gelde. Der Verkäufer wird Gläubiger, der Käufer Schuldner. Da die Metamorphose der Ware oder die Entwicklung ihrer Wertform sich hier verändert, erhält auch das Geld eine andre Funktion. Es wird Zahlungsmittel.⁹⁶

⁹⁶ Luther unterscheidet zwischen Geld als Kaufmittel und Zahlungsmittel. „Machest mir einen Zwilling aus dem Schadewacht, das ich hie nicht bezahlen und dort nicht kauffen kann.“ (Martin Luther, „An die Pfarrherrn, wider den Wucher zu predigen“, Wittenberg 1540.)

rherrn, wider den Wucher zu predigen, Wittenberg, 1540 [without pagination].

This modification of the relation between commodity owners occurs whether or not commodity circulation is highly developed. It is one of the reasons why commodity producers must build up hoards of money to tide them over these discrepancies in time (see 228:2/oo, where Marx also remarks that it is contradictory when everyone sells without buying).

Question 481 (*Tue Oct 19–Thu Oct 21*) Explain how, by the circumstances of commodity circulation, buyers and sellers may develop into debtors and creditors, and give examples. 2008SP, 2007fa, 2007SP, 2004fa, 2003fa, 2002fa, 2001fa, 1999SP, 1998WI, 1997ut, 1997sp.

233:1 The role of creditor or of debtor results here from the simple circulation of commodities. The change in its form impresses this new stamp on seller and buyer. At first, therefore, these new roles are just as transient as those of seller and buyer, and are played alternately by the same actors. Nevertheless, this opposition now looks less pleasant from the very outset, and it is capable of a more rigid crystallization.⁹⁷

⁹⁷ The following shows the relations existing between debtors and creditors among English traders at the beginning of the eighteenth century: ‘Such a spirit of cruelty reigns here in England among the men of trade, that is not to be met with in any other society of men, nor in any other kingdom of the world’ (*An Essay on Credit and the Bankrupt Act*, London, 1707, p. 2).

Although the economic characters of debtor and creditor come here only from the circulation relations and not from any deeper relations of production, footnote 97 showed that they can be quite harsh. In the following historical examples, relations of debtors and creditors arise from deeper relations:

However, the same characteristics can emerge independently of the circulation of commodities. The class struggle in the ancient world, for instance, took the form mainly of a contest between debtors and creditors, and ended in Rome with the ruin of the plebeian debtors, who were replaced by slaves. In the Middle Ages the contest ended with the ruin of the feudal debtors, who lost their political power together with its economic basis. Here, indeed, the money-form—and the relation between creditor and debtor does have the form of a money-relation—was only the reflection of an antagonism which

149:1/o Der Charakter von Gläubiger oder Schuldner entspringt hier aus der einfachen Warenzirkulation. Ihre Formveränderung drückt dem Verkäufer und Käufer diese neuen Stempel auf. Zunächst also sind es ebenso verschwindende und wechselweis von denselben Zirkulationsagenten gespielte Rollen wie die von Verkäufer und Käufer. Jedoch sieht der Gegensatz jetzt von Haus aus minder gemütlich aus und ist größerer Kristallisation fähig.⁹⁷

⁹⁷ Über die Schuldner- und Gläubigerverhältnisse unter den englischen Handelsleuten Anfang des 18. Jahrhunderts: „Unter den Handelsleuten herrscht hier in England ein solcher Geist der Grausamkeit, wie er in keiner anderen menschlichen Gesellschaft und in keinem anderen Land der Welt anzutreffen ist.“ („An Essay on Credit and the Bankrupt Act“, Lond. 1707, p. 2.)

Dieselben Charaktere können aber auch von der Warenzirkulation unabhängig auftreten. Der Klassenkampf der antiken Welt z.B. bewegt sich hauptsächlich in der Form eines Kampfes zwischen Gläubiger und Schuldner und endet in Rom mit dem Untergang des plebejischen Schuldners, der durch den Sklaven ersetzt wird. Im Mittelalter endet der Kampf mit dem Untergang des feudalen Schuldners, der seine politische Macht mit ihrer ökonomischen Basis einbüßt. Indes spiegelt die Geldform—and das Verhältnis von Gläubiger und Schuldner besitzt die Form eines Geldverhältnisses—hier nur

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lay deeper, at the level of the economic conditions of existence.

Another example not mentioned by Marx is the modern credit system. The reason for capitalist credit is deeper than the reason for the function of means of payment discussed here.

Next Marx analyses the functions of money in the modified sale:

233:2/o Let us return to the sphere of circulation. The two equivalents, commodities and money, have ceased to appear simultaneously at the two poles of the process of sale. The money functions now, first as a measure of value in the determination of the price of the commodity sold; the price fixed by contract measures the obligation of the buyer, i.e. the sum of money he owes at a particular time. Secondly it serves as a notional means of purchase. Although it exists only in the promise of the buyer to pay, it causes the commodity to change hands. Not until payment falls due does the means of payment actually step into circulation, i.e. leave the hand of the buyer for that of the seller.

In this third function, money functions as money. In order to develop this, Marx compares the means of payment with the hoard:

The circulating medium was transformed into a hoard because the process stopped short after the first phase, because the converted shape of the commodity was withdrawn from circulation. The means of payment does enter circulation, but only after the commodity has already left it. The money no longer mediates the process. It brings it to an end by an independent act, as the absolute form of existence of exchange-value, i.e., as the universal commodity.

Contribution 373:2/o adds: "in short, as money."

Question 483 (*Tue Oct 19–Thu Oct 21*) Explain how in the modified sale, in which the payment of money takes place a certain time after the commodity has changed hands, money first functions as measure of value, then as means of purchase, then as money. [2007SP](#), [2003fa](#), [2001fa](#), [2000fa](#), [1999SP](#), [1998WI](#), [1997ut](#), [1997sp](#).

The seller turned his commodity into money in order to satisfy some need; the hoarder in order to preserve the monetary form of his commodity, and the indebted purchaser in order to be able to pay. If he does not pay,

den Antagonismus tiefer liegender ökonomischer Lebensbedingungen wider.

150:1 Kehren wir zur Sphäre der Warenzirkulation zurück. Die gleichzeitige Erscheinung der Äquivalente Ware und Geld auf den beiden Polen des Verkaufsprozesses hat aufgehört. Das Geld funktioniert jetzt erstens als Wertmaß in der Preisbestimmung der verkauften Ware. Ihr kontraktlich festgesetzter Preis mißt die Obligation des Käufers, d.h. die Geldsumme, die er an bestimmtem Zeittermin schuldet. Es funktioniert zweitens als ideelles Kaufmittel. Obgleich es nur im Geldversprechen des Käufers existiert, bewirkt es den Händewechsel der Ware. Erst am fälligen Zahlungstermin tritt das Zahlungsmittel wirklich in Zirkulation, d.h. geht aus der Hand des Käufers in die des Verkäufers über.

Das Zirkulationsmittel verwandelte sich in Schatz, weil der Zirkulationsprozeß mit der ersten Phase abbrach oder die verwandelte Gestalt der Ware der Zirkulation entzogen wurde. Das Zahlungsmittel tritt in die Zirkulation hinein, aber nachdem die Ware bereits aus ihr ausgetreten ist. Das Geld vermittelt nicht mehr den Prozeß. Es schließt ihn selbstständig ab, als absolutes Dasein des Tauschwerts oder allgemeine Ware.

Der Verkäufer verwandelte Ware in Geld, um ein Bedürfnis durch das Geld zu befriedigen, der Schatzbildner, um die Ware in Geldform zu präservieren, der schuldige Käufer, um zahlen zu können. Zahlt er

his goods will be sold compulsorily. The value form of the commodity, money, has now become the self-sufficient purpose of the sale, owing to a social necessity springing from the conditions of the process of circulation itself

nicht, so finden Zwangsverkäufe seiner Habe statt. Die Wertgestalt der Ware, Geld, wird also jetzt zum Selbstzweck des Verkaufs durch eine den Verhältnissen des Zirkulationsprozesses selbst entspringende, gesellschaftliche Notwendigkeit.

Question 484 (*Tue Oct 19–Thu Oct 21*) *Why does money function as money when it functions as hoard or as means of payment? Why does it not function as money when it functions as means of purchase or measure of value?* [2003fa](#), [1999SP](#), [1997ut](#).

234:1 The buyer converts money back into commodities before he has turned commodities into money: in other words, he achieves the second metamorphosis of commodities before the first. The seller's commodity circulates, but it realizes its price only as a title to money in civil law. It is converted into a use-value before it has been converted into money. The completion of its first metamorphosis occurs only subsequently.⁹⁸

⁹⁸ The reason why I take no notice in the text of an opposite form will be seen from the following quotation from my book which appeared in 1859: "Conversely, in the transaction $M - C$, money taking effect as a means of purchase may be alienated, and thus the price of the commodity may be realized, before the use-value of the money is realized, or before the commodity is handed over. This happens, for instance, in the well-known form of advance-payment. Or in the form of payment used by the English government to buy opium from Indian ryots ... In these cases, however, money functions only in the familiar form of means of purchase ... Of course capital, too, is advanced in the form of money ... but this aspect does not lie within the scope of simple circulation." *Zur Kritik, etc.*, pp. 119, 120.

150:2 Der Käufer verwandelt Geld zurück in Ware, bevor er Ware in Geld verwandelt hat, oder vollzieht die zweite Warenmetamorphose vor der ersten. Die Ware des Verkäufers zirkuliert, realisiert ihren Preis aber nur in einem privatrechtlichen Titel auf Geld. Sie verwandelt sich in Gebrauchswert, bevor sie sich in Geld verwandelt hat. Die Vollziehung ihrer ersten Metamorphose folgt erst nachträglich.⁹⁸

⁹⁸ Note zur 2. Ausg. Aus folgendem, meiner 1859 erschienenen Schrift entlehnten Zitat wird man sehn, warum ich im Text keine Rücksicht nehme auf eine entgegengesetzte Form: „Umgekehrt kann im Prozeß $G - W$ das Geld als wirkliches Kaufmittel entäußert und der Preis der Ware so realisiert werden, ehe der Gebrauchswert des Geldes realisiert oder die Ware veräußert wird. Dies findet z.B. statt in der alltäglichen Form der Pränumeration. Oder in der Form, worin die englische Regierung das Opium der Ryots in Indien ... kauft. So wirkt jedoch das Geld nur in der schon bekannten Form des Kaufmittels ... Kapital wird natürlich auch in der Form des Geldes avanciert ... Dieser Gesichtspunkt fällt aber nicht in den Horizont der einfachen Zirkulation.“ („Zur Kritik etc.“, p. 119, 120.)

Question 485 (*Tue Oct 19–Thu Oct 21*) *Are there situations in which money is used in other functions than measure of value, means of circulation, or the independent incarnation of abstract wealth?*

Now the two phases, the modified sale and the sale by the debtor, together (compare *Contribution 374:2/o*). From the point of view of the time when the commodity enters circulation, Marx goes over to the metamorphosis of the commodities of the two transactors. Originally, every commodity owner must sell his commodity first, and then buy another commodity with that money. In the modified sale, the order of these two phases is reversed

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for the buyer: he converts money back into a commodity before he converts his commodity into money.

Looking at the commodity entering circulation, it must first become exchange-value, money, for its seller, before it can become use-value for its buyer. In the modified sale, also these two phases are in reverse order: it first becomes use-value for its buyer, and the first phase, its becoming exchange-value for its seller, is delayed.

234:2–237:0 Mass of money required for the functions as means of payment, and the contradictions springing from the fact that in part money is not needed at all, in part it is needed as the absolute form of wealth!

234:2/o The obligations falling due within a given time period represent the sum of the prices of the commodities whose sale gave rise to these obligations. The quantity of money necessary to realize this sum depends in the first instance on the turnover speed of the means of payment. This speed is conditioned by two factors: first, the way in which relations between creditors and debtors interlock, as when *A* receives money from *B*, who is in debt to him, and then pays it out to his creditor *C*, and second, the length of time between the days in which the various obligations fall due.

151:1 In jedem bestimmten Zeitabschnitt des Zirkulationsprozesses repräsentieren die fälligen Obligationen die Preissumme der Waren, deren Verkauf sie hervorrief. Die zur Realisierung dieser Preissumme nötige Geldmasse hängt zunächst ab von der Umlaufgeschwindigkeit der Zahlungsmittel. Sie ist bedingt durch zwei Umstände: die Verkettung der Verhältnisse von Gläubiger und Schuldner, so daß *A*, der Geld von seinem Schuldner *B* erhält, es an seinen Gläubiger *C* fortzahlt usw.—und die Zeitlänge zwischen den verschiedenen Zahlungsterminen.

The pronoun “sie” in “sie ist bedingt durch zwei Umstände” refers to turnover speed, not to the

mass of gold necessary, as both the Fowkes and the Moore-Aveling translations suggest. In

Contribution 376:2/o the wording is unambiguous.

The quantity of money is determined by the price sum and the turnover speed. The turnover speed depends on two factors:

- Concatenation of the debtor-creditor relations so that the same person *A* first receives a payment from *B* and then makes a payment to *C*.
- Length of time between the different due-dates of the obligations.

The discussion that follows focuses on the first of these two factors, the concatenation of payments. First Marx makes a very abstract observation about it:

The chain of successive payments, i.e., retarded first metamorphoses, differs essentially from the interlacing of the metamorphosis-sequences which we considered on a former page. The movement of the (money functioning as) means of circulation is more than a mere expression of the connection between buyers and sellers. This connection itself only originates by and together with the movement of money. Contrariwise, the movement of the means of payment is the

Die prozessierende Kette von Zahlungen oder nachträgliche ersten Metamorphosen unterscheidet sich wesentlich von der früher betrachteten Verschlingung der Metamorphosenreihen. Im Umlauf des Zirkulationsmittels wird der Zusammenhang zwischen Verkäufern und Käufern nicht nur ausgedrückt. Der Zusammenhang selbst entsteht erst in und mit dem Geldumlauf. Dagegen drückt die Bewegung des Zahlungsmittels einen schon vor ihr fertig vorhandenen ge-

expression of a social relation which is already complete and in existence before the money begins to move.

sellschaftlichen Zusammenhang aus.

This observation already sets the stage for the discussion of crisis which coming up. The topic of discussion is: how does the structure of retarded first metamorphoses allow to economize the quantity of means of payment? The simultaneous occurrence of sales at the same location is on the one hand a hindrance, but on the other allows the development of new techniques for economizing payments:

235:1 Since sales take place simultaneously and side by side, the extent to which the turnover speed can make up for the quantity of currency available is limited. On the other hand, this simultaneity gives a new impulse towards the economical use of the means of payment. With the concentration of payments in one place, special institutions and methods of liquidation develop spontaneously. For instance, the *virements* (clearing houses) in medieval Lyons. The debts due to *A* from *B*, to *B* from *C*, to *C* from *A*, and so on, have only to be brought face to face in order to cancel each other out, to a certain extent, as positive and negative amounts. There remains only a single debit balance to be settled. The greater the concentration of the payments, the less is this balance in relation to the total amount, hence the less is the mass of the means of payment in circulation.

151:2 Gleichzeitigkeit und Nebeneinander der Verkäufe beschränken den Ersatz der Münzmasse durch Umlaufgeschwindigkeit. Sie bilden umgekehrt einen neuen Hebel in der Ökonomie der Zahlungsmittel. Mit der Konzentration der Zahlungen an demselben Platz entwickeln sich naturwüchsig eigne Anstalten und Methoden ihrer Ausgleichung. So z.B. die *Virements* im mittelaltrigen Lyon. Die Schuldforderungen von *A* an *B*, *B* an *C*, *C* an *A* usw. brauchen bloß konfrontiert zu werden, um sich wechselseitig bis zu einem gewissen Belauf als positive und negative Größen aufzuheben. So bleibt nur eine *Schuldbilanz* zu saldieren. Je massenhafter die Konzentration der Zahlungen, desto kleiner relativ die Bilanz, also die Masse der zirkulierenden Zahlungsmittel.

↑ The amount of money required as means of payment is economized by the cancellation of obligations. This cancellation can either go in a circle: *A* owes *B*, *B* owes *C*, and *C* owes *A* the same amount, payable on the same day: they cancel each other out without any residue. Or you have a chain which is not a circle: *A* owes *B*, *B* owes *C* the same amount: then only a payment from *A* to *C* is necessary.

↓ If the system of mutual cancellations of payments is disturbed on a social scale, then more money is required to settle the obligations than is available: crisis.

235:2/oo The function of money as means of payment contains an unmediated contradiction. As long as the payments balance each other, money functions only notionally, as money of account or as measure of value. But if actual payments have to be made, money does not come onto the scene as a means of circulation, as a merely transient and intermediary form of the social metabolism, but as the individual incarnation of social labor, the independent exis-

151:3/152 Die Funktion des Geldes als Zahlungsmittel schließt einen unvermittelten Widerspruch ein. Soweit sich die Zahlungen ausgleichen, funktioniert es nur ideal als Rechengeld oder Maß der Werte. Soweit wirkliche Zahlung zu verrichten, tritt es nicht als Zirkulationsmittel auf, als nur verschwindende und vermittelnde Form des Stoffwechsels, sondern als die individuelle Inkarnation der gesellschaftlichen Arbeit, selbständiges Dasein des Tauschwerts, ab-

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tence of exchange-value, the absolute commodity. | solute Ware.

Question 486 (*Tue Oct 19–Thu Oct 21*) Explain how the function of money as means of payment contains an unmediated contradiction. What does the word “unmediated” mean here? [2009fa](#), [2008fa](#).

Now a famous passage about money crises:

This contradiction bursts forth in that aspect of an industrial and commercial crisis which is known as a monetary crisis.⁹⁹ Such a crisis occurs only where the ongoing chain of payments has been fully developed, along with an artificial system for settling them. Whenever there is a general disturbance of the mechanism, no matter what its cause, money suddenly and immediately changes over from its merely notional shape, money of account, into hard cash. Profane commodities can no longer replace it. The use-value of commodities becomes valueless, and their value vanishes in the face of its own value form. The bourgeois, drunk with prosperity and arrogantly certain of himself, has just declared that money is a purely imaginary creation. ‘Commodities alone are money,’ he said. But now the opposite cry resounds over the markets of the world: only money is a commodity. As the hart pants after fresh water, so pants the soul of the bourgeois after money, the only wealth.¹⁰⁰ In a crisis, the antithesis between commodities and their value form, money, is raised to the level of an absolute contradiction. Hence money’s form of appearance is here also a matter of indifference. The monetary famine remains whether payments have to be made in gold or in credit-money, such as bank-notes.¹⁰¹

Marx writes more about money as means of payment, but we will skip now forward to the third function of money as money: world money.

Dieser Widerspruch eklatiert in dem Moment der Produktions- und Handelskrisen, der Geldkrise heißt.⁹⁹ Sie ereignet sich nur, wo die prozessierende Kette der Zahlungen und ein künstliches System ihrer Ausgleichung völlig entwickelt sind. Mit allgemeineren Störungen dieses Mechanismus, woher sie immer entspringen mögen, schlägt das Geld plötzlich und unvermittelt um aus der nur ideellen Gestalt des Rechengeldes in hartes Geld. Es wird unersetzt durch profane Waren. Der Gebrauchswert der Ware wird wertlos, und ihr Wert verschwindet vor seiner eignen Wertform. Eben noch erklärte der Bürger in prosperitätstrunknem Aufklärungsdunkel das Geld für leeren Wahn. Nur die Ware ist Geld. Nur das Geld ist Ware! gellt’s jetzt über den Weltmarkt. Wie der Hirsch schreit nach frischem Wasser, so schreit seine Seele nach Geld, dem einzigen Reichtum.¹⁰⁰ In der Krise wird der Gegensatz zwischen der Ware und ihrer Wertgestalt, dem Geld, bis zum absoluten Widerspruch gesteigert. Die Erscheinungsform des Geldes ist hier daher auch gleichgültig. Die Geldhungrigkeit bleibt dieselbe, ob in Gold oder Kreditgeld, Banknoten etwa, zu zahlen ist.¹⁰¹

3.3.c. World Money

This last section is very brief. The corresponding section in *Contribution* is a little more explicit. For instance, the first sentence in the first paragraph in *Capital* is only the last sentence in the corresponding first paragraph [381:1](#).

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Although Marx does not often say so explicitly, it is apparently his understanding that the social metabolism with division of labor and abstract human labor takes place on a national scale. According to Marx's understanding, money has nationally the economic function to be standard of value, and from this follows also means of circulation and then also the independent incarnation of abstract wealth. All this follows from its function for domestic production, namely, being the appropriate surface expression of abstract human labor (in other words, money being the social institution which induces the producers to abide by the law of value). Domestically, money is general equivalent because it represents abstract human labor. Therefore it tries to be general equivalent also in international trade. Internationally, money assumes the role of general equivalent before the labors themselves have been equalized. This world-wide general equivalent has then the effect of melding the domestic labors into one world-wide human labor in the abstract.

240:2/o When money leaves the domestic sphere of circulation it strips off the local forms it has acquired domestically, as the standard of prices, gold coin, small change, and paper bills, and falls back into the original bullion form of the precious metals.

156:2 Mit dem Austritt aus der innern Zirkulation streift das Geld die dort aufschließenden Lokalformen von Maßstab der Preise, Münze, Scheidemünze und Wertzeichen, wieder ab und fällt in die ursprüngliche Barrenform der edlen Metalle zurück.

At Marx's time, the international monetary system was different than it is now. Each national currency was based on gold; gold therefore was the common denominator establishing the exchange rates between these currencies. The central banks did not hold each other's currencies but they held gold bullion. Therefore only gold could settle international balances. I.e., in order to perform its most advanced functions, money fell back into its most primitive form. Marx gives a very brief explanation why this is so:

In world trade, commodities unfold their values on a universal scale.

Im Welthandel entfalten die Waren ihren Wert universell.

Trade and commerce within a nation has a different character than world trade. The labor within every nation is drawn together into a developed system of division of labor, and it is equalized within the nation. But these systems of division of labor are only local; they interact with each other and there may be a world market with respect to certain commodities, but overall there is not one single system of division of labor which encompasses all labor on this planet, and the market has not yet equalized all the labor throughout the world. A Swedish krone represents labor of Sweden, it does not represent the labor of everybody in the world. Only the labor contained in those commodities which are traded internationally begin a process of international equalization. When such an internationally traded good enters the market, the labor contained in it tries out to what extent it is human labor in general, instead of merely to what extent it is human labor belonging to this or that local economy. This is what Marx means by "unfolding their value on a universal scale."

This is why their independent value form confronts them here as world money.

Ihre selbständige Wertgestalt tritt ihnen daher hier auch gegenüber als Weltgeld.

Fowkes misunderstands the "auch." He writes: "Their

independent value form thus confronts them here too as world

money."

Here we come to a deeper definition of world money: it can circulate internationally only because it represents human labor in general, regardless of nationality. It is a more general and simpler concept than the national moneys, and this simplicity of concept results in a simplicity of form:

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Only on the world market, money fully functions as the commodity whose bodily form is at the same time the form in which human labor in the abstract becomes a social reality. Its mode of existence becomes adequate to its concept.

This is an enticing example of a Hegelian return to the beginning: that which is most developed turns into that which is most simple, and only in this way fully expresses the truth contained in this simplicity. But in my view, something less mysterious is going on here: the primitive form which world money took at Marx's time does not come from its generality, but from the fact that the institutions facilitating international trade and payments were not yet very well developed. The thing itself had to step in because the more refined forms of money were not yet in existence.

Next Marx discusses the *differences* between world money and the domestic moneys. After some brief remarks about bimetallism, which are not reproduced here, Marx says that world money has the same three functions as domestic money, but there is a shift in importance:

242/o World money serves as the universal means of payment, as the universal means of purchase, and as the absolute social materialization of wealth as such (UNIVERSAL WEALTH). Its predominant function is as means of payment in the settling of international balances. Hence the slogan of the Mercantile System: balance of trade.¹⁰⁹ Gold and silver serve as international means of purchase essentially only when the customary equilibrium in the interchange of products between different nations is suddenly disturbed. And, lastly, world money serves as the universally recognized social materialization of wealth, whenever it is not a matter of buying or paying, but of transferring wealth from one country to another, and whenever its transfer in the form of commodities is ruled out, either by the conjuncture of the market, or by the purpose of the transfer itself.¹¹⁰

The German “*wesentlich*” is sometimes used for brief characterizations which capture

the essentials although they may not cover all the details or all the possibilities. I translated it here

Erst auf dem Weltmarkt funktioniert das Geld in vollem Umfange als die Ware, deren Naturalform zugleich unmittelbar gesellschaftliche Verwirklichungsform der menschlichen Arbeit in abstracto ist. Seine Daseinsweise wird seinem Begriff adäquat.

157:2/o Das Weltgeld funktioniert als allgemeines Zahlungsmittel, allgemeines Kaufmittel und absolut gesellschaftliche Materiatur des Reichtums überhaupt (universal wealth). Die Funktion als Zahlungsmittel, zur Ausgleichung internationaler Bilanzen, herrscht vor. Daher das Losungswort des Merkantilsystems—Handelsbilanz!¹⁰⁹ Zum internationalen Kaufmittel dienen Gold und Silber wesentlich, sooft das herkömmliche Gleichgewicht des Stoffwechsels zwischen verschiedenen Nationen plötzlich gestört wird. Endlich als absolut gesellschaftliche Materiatur des Reichtums, wo es sich weder um Kauf noch Zahlung handelt, sondern um Übertragung des Reichtums von einem Land zum andren, und wo diese Übertragung in Warenform entweder durch die Konjunkturen des Warenmarkts oder den zu erfüllenden Zweck selbst ausgeschlossen wird.¹¹⁰

¹¹⁰ For instance, in the case of subsidies, money loans for carrying on wars or for enabling banks to resume cash payments, etc., value may be required precisely in the form of money.

¹¹⁰ Z.B. bei Subsidien, Geldanleihen zur Kriegsführung oder zur Wiederaufnahme der Barzahlungen von Banken usw. kann Wert grade in der Geldform erheischt sein.

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Question 488 (*Tue Oct 19–Thu Oct 21*) *Why is means of payment, and not means of purchase, the predominant function of international money?* [2008SP](#), [2007fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2000fa](#), [1999SP](#), [1998WI](#).

In [231:3/o](#), Marx had mentioned that the gold hoards so copiously created by private citizens at that time had the economic function of allowing the quantity of the circulating medium to ebb and flow. These hoards not only served as buffer stocks for the domestic circulation, but also for international payments:

243:1 Just as every country needs a reserve fund for its internal circulation, so too it requires one for circulation in the world market. The functions of hoards, therefore, arise in part out of the function of money as medium of payment and circulation internally, and in part out of its function as a world money.^{110a} In this latter role it is always the genuine money-commodity, gold and silver in their physical shape, which is required. For that reason Sir James Steuart expressly characterizes gold and silver as ‘money of the world’ in order to distinguish them from their merely local representatives.

^{110a} ‘I would desire, indeed, no more convincing evidence of the competency of the machinery of the hoards in specie-paying countries to perform every necessary office of international adjustment, without any sensible aid from the general circulation, than the facility with which France, when but just recovering from the shock of a destructive foreign invasion, completed within the space of 27 months the payment of her forced contribution of nearly 20 millions to the allied powers, and a considerable proportion of the sum in specie, without any perceptible contraction or derangement of her domestic currency, or even any alarming fluctuation of her exchanges’ (Fullarton, op. cit., p. 141). [Added by Engels to the fourth German edition:] We have a still more striking example in the facility with which the same France was able in 1871–3 to pay off within 30 months a forced contribution more than ten times as great, a considerable part of it likewise in specie.

158:1/o Wie für seine innere Zirkulation, braucht jedes Land für die Weltmarktzirkulation einen Reservefonds. Die Funktionen der Schätze entspringen also teils aus der Funktion des Geldes als inneres Zirkulations- und Zahlungsmittel, teils aus seiner Funktion als Weltgeld.^{110a} In der letzteren Rolle ist stets die wirkliche Goldware, leibhaftes Gold und Silber, erheischt, weswegen James Steuart Gold und Silber, im Unterschied von ihren nur lokalen Stellvertretern, ausdrücklich als „money of the world“ charakterisiert.

^{110a} Note zur 2. Ausgabe: „Tatsächlich könnte ich mir keinen überzeugenderen Beweis dafür wünschen, daß der Mechanismus der Schatzbildung in Ländern mit Metallwährung imstande ist, jede notwendige Funktion bei Begleichung internationaler Verbindlichkeiten zu erfüllen, und zwar ohne wahrnehmbare Unterstützung durch die allgemeine Zirkulation, als die Leichtigkeit, mit der Frankreich, das erst im Begriffe war, sich von der Erschütterung durch eine zerstörende feindliche Invasion zu erholen, in einem Zeitraum von 27 Monaten die Zahlung der ihm auferlegten Kriegsentschädigung von fast 20 Millionen an die verbündeten Mächte leistete, und zwar einen beträchtlichen Teil dieser Summe in Metallgeld, ohne merkbare Einschränkung oder Störung des inländischen Geldumlaufs oder irgendwelche alarmierende Schwankungen seines Wechselkurses.“ Fullarton, [[Ful45](#), p. 141]. {Zur 4. Auflage.—Ein noch schlagenderes Beispiel haben wir in der Leichtigkeit, womit dasselbe Frankreich 1871–1873 in 30 Monaten eine mehr als zehnfach größere Kriegsentschädigung, ebenfalls zum bedeutenden Teil in Metallgeld, abzutragen imstande war.—F.E.}

3. Money or the Circulation of Commodities

Question 489 (*Tue Oct 19–Thu Oct 21*) *How does the domestic functions of the gold reserves of a country differ from its international functions? Do these two functions come into conflict with each other?* [2004fa](#), [2000fa](#), [1997ut](#), [1997sp](#).

Next Marx discusses the international movements of gold and silver:

243:2/o The stream of gold and silver follows a twofold movement. On the one hand, it spreads out from its sources all over the world, and is absorbed to various extents into the different national spheres of circulation, where it enters into the various channels of internal circulation. There it replaces abraded gold and silver coins, supplies the material for articles of luxury, and petrifies into hoards.¹¹¹ This first movement is mediated through the direct exchange of the labor of individual countries which has been realized in commodities for the labor realized in the precious metals by the gold- and silver-producing countries. On the other hand, gold and silver continually flow back and forth between the different national spheres of circulation, and this movement follows the unceasing fluctuations of the rate of exchange.¹¹²

¹¹¹ ‘Money is shared among the nations in accordance with their need for it ... as it is always attracted by the products’ (Le Trosne, op. cit., p. 916). ‘The mines which are continually giving gold and silver, do give sufficient to supply such a needful balance to every nation’ (J. Vanderlint, [Van34], p. 40)).

¹¹² ‘Exchanges rise and fall every week, and at some particular times in the year run high against a nation, and at other times run as high on the contrary’ (N. Barbon, [Bar96], p. 39).

159:1 Die Bewegung des Gold- und Silberstroms ist eine doppelte. Einerseits wälzt er sich von seinen Quellen über den ganzen Weltmarkt, wo er von den verschiedenen nationalen Zirkulationssphären in verschiednem Umfang abgefangen wird, um in ihre inneren Umlaufskanäle einzugehn, verschlissene Gold- und Silbermünzen zu ersetzen, das Material von Luxuswaren zu liefern und zu Schätzen zu erstarrten.¹¹¹ Diese erste Bewegung ist vermittelt durch direkten Austausch der in Waren realisierten Nationalarbeiten mit der in edlen Metallen realisierten Arbeit der Gold und Silber produzierenden Länder. Andererseits laufen Gold und Silber fortwährend hin und her zwischen den verschiedenen nationalen Zirkulationssphären, eine Bewegung, die den unaufhörlichen Oszillationen des Wechselkurses folgt.¹¹²

¹¹¹ „Das Geld verteilt sich auf die Nationen nach ihren Bedürfnissen ... indem es immer durch die Produkte angezogen wird.“ Le Trosne, [LT46], p. 916]. „Die Minen, die fortwährend Gold und Silber liefern, sind ergiebig genug, um jeder Nation dieses notwendige Quantum zu liefern.“ J. Vanderlint, [Van34], p. 40).

¹¹² „Die Wechselkurse steigen und fallen in jeder Woche, sie steigen zu bestimmten Zeiten des Jahres zuungunsten einer Nation in die Höhe und erreichen zu anderen Zeiten die gleiche Höhe zu deren Vorteil.“ N. Barbon, [Bar96], p. 39].

The very last paragraph of the chapter about Money discusses the modern dictates of efficiency to reduce the stock of money to a minimum.

244:1 Countries with developed bourgeois production limit the hoards, which are concentrated in the strong rooms of the banks, to the minimum required for the performance of their specific functions.¹¹³

This increased efficiency however makes the system more vulnerable. The two functions of the money stock, for domestic or international circulation, come now in conflict. Footnote 113 is an argument against Peel’s 1844 Bank Act, which made the Bank of England’s ability

160:1 Länder entwickelter bürgerlicher Produktion beschränken die in Bankreservoirs massenhaft konzentrierten Schätze auf das zu ihren spezifischen Funktionen erheischte Minimum.¹¹³

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to issue short term credit (by the conversion of bank notes of private issuers into its own notes) dependent on the level of gold reserves:

¹¹³ These different functions can come dangerously into conflict whenever gold and silver have also to serve as a fund for the conversion of bank notes.

¹¹³ Diese verschiedenen Funktionen können in gefährlichen Konflikt geraten sobald die Funktion eines Konversionsfonds für Banknoten hinzutritt.

This is very terse. Marx could have said much more about the contradictions between domestic money and international money. As long as private gold hoards were ample, they could easily satisfy their two different functions, for domestic and international circulation. However when hoards are minimized since they are considered an unprofitable dead weight, these two functions get into contradiction with each other. This contradiction persists even today. If international transactions create an unwanted increase in high-powered currency, then the central bank must “sterilize” these transactions. International currency movements may also make it difficult or impossible for the central bank to pursue the monetary policy indicated by the domestic economic conditions. In the world monetary system since World War II, the dollar and later a bundle of national currencies serve as world money. The fact that national currencies serve as world money is again a source of conflicts.

Marx's final remark: under the modern dictates of efficiency, larger hoards are no longer a sign of more wealth but a sign of malfunction.

Whenever these hoards are strikingly above their average level, this is, with some exceptions, an indication of stagnation in the circulation of commodities, i.e. of an interruption in the flow of their metamorphoses.¹¹⁴

Mit gewisser Ausnahme zeigt auffallendes Überfüllen der Schatzreservoirs über ihr Durchschnittsniveau Stockung der Warenzirkulation an oder unterbrochenen Fluss der Warenmetamorphose.¹¹⁴

Marx is witnessing here a change in regime: the former regime in which numerous individual gold hoards formed an extremely elastic supply to the changing circulation needs was replaced by a regime with much more centralized and relatively much smaller currency reserves. The footnote illustrates the new-found sense of economy, which considered gold hoards as unproductive and according to which a country could also have too much money.

¹¹⁴ ‘What money is more than of absolute necessity for a Home Trade, is dead stock ... and brings no profit to that country it's kept in, but as it is transported in trade, as well as imported’ (John Bellers, Essays, etc., p. 13). ‘What if we have too much coin? We may melt down the heaviest and turn it into the splendour of plate, vessels or utensils of gold or silver; or send it out as a commodity, where the same is wanted or desired; or let it out at interest where interest is high’ (W. Petty, Quantulumcunque, p. 39). ‘Money is but the fat of the Body Politick, whereof too much doth as often hinder its agiliy, as too little makes it sick ... as fat lubricates the motion of the muscles, feeds in want of victuals, fills up the uneven cavities, and beautifies the body, so doth money in the state quicken its action, feeds from abroad in time of dearth at home; evens accounts ... and beautifies the whole; altho' more especially the particular per-

¹¹⁴ „Was an Geld mehr vorhanden ist, als für den inländischen Handel unbedingt notwendig, stellt totes Kapital dar, und bringt dem Lande, das es besitzt, keinen Gewinn, außer wenn es selbst exportiert bzw. importiert wird.“ (John Bellers, Essays etc., p. 13.) „Was aber, wenn wir nun zuviel gemünztes Geld haben? Wir können dann das vollwichtigste einschmelzen und es zu prächtigem Tischgerät, zu Gefäßen und Hausrat aus Gold und Silber umarbeiten; oder es als Ware dorthin schicken, wo Bedarf und Nachfrage danach besteht; oder es dort auf Zins ausleihen, wo man einen hohen Zinssatz zahlt.“ (W. Petty, „Quantulumcunque“ p. 39.) „Geld ist nur das Fett des Staatskörpers, weshalb zuviel davon ebenso seine Beweglichkeit behindert, wie zu wenig ihn krank macht ... wie Fett die Bewegung der Muskeln geschmeidig macht, fehlende Nahrungsmittel ersetzt, Unebenheiten ausfüllt und den Körper verschön, so erleichtert das Geld die

3. Money or the Circulation of Commodities

sons that have it in plenty' (W. Petty, Political Anatomy of Ireland, pp. 14, 15) [in fact, this is again the supplement, Verbum Sapienti].

Bewegungen des Staates, bringt, wenn Teuerung im Inlande, vom Auslande Lebensmittel herein, begleicht Schuldenrechnungen ... und verschönt das Ganze; allerdings“, ironisch abschließend, „ganz besonders die einzelnen Personen, die viel davon haben.“ W. Petty, [Pe91, p. 14, 15 of the supplement].

Exam Question 490 Bring two examples of situations where money functions as money and not merely as measure of value or means of circulation. [2009fa](#), [2008fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [1999SP](#).

Term Paper Topic 491 (Tue Oct 19–Thu Oct 21) Comparison of Chapter Three in Capital with Chapter Two in Marx's 1859 Contribution to the Critique of Political Economy. [2009fa](#).

4. The General Formula of Capital

After the discussion of money and the circulation of commodities in chapter Three, Marx turns now to capital. The first four paragraphs make the transition from commodity circulation to capital. ↓ This transition can be summarized by the first sentence:

247:1 The circulation of commodities is
the point of departure of capital.

161:1 Die Warenzirkulation ist der Ausgangspunkt des Kapitals.

(1) First of all, this sentence can be taken as a historical statement:

Commodity production and developed commodity circulation, trade, are the historical presuppositions under which capital originates.

Warenproduktion und entwickelte Warenzirkulation, Handel, bilden die historischen Voraussetzungen, unter denen es entsteht.

↑ (1a) Commodity production must exist and trade must be developed before capital can come into being. This tells us something about the pre-capitalist period, a historical period which is not yet subject to the logic of capital. Already before capitalism, commodity circulation must have reached a certain degree of development so that capitalism could take off.

World trade and the world market, in the sixteenth century, usher in the modern life-history of capital.

Welthandel und Weltmarkt eröffnen im 16. Jahrhundert die moderne Lebensgeschichte des Kapitals.

↑ (1b) The creation of world trade and the world market in the sixteenth century ushered in what Marx calls the “modern life-history of capital.” Here Marx speaks about the first period in the history of capital itself. The term *life-history* indicates that the history of modern capital, as opposed to scattered and transient prior forms of capital (usury and merchant capital), is the history of one persistent organism, which gradually spread over the whole world. Marx generally does not use the term “capitalism,” but here it would be appropriate.

↓ (2) It is not a coincidence that commodity circulation plays such an important role for the historical origin of capital. The element of circulation which drives towards the development of capital is *money*. Marx is about to show three things: (2a) circulation leads to money, (2b) money is the first form of appearance of capital, and (2c) money as capital distinguishes itself from money as money first only by its form of circulation.

(2a) The first step is: commodity circulation leads to money.

247:2 If we disregard the material content of commodity circulation, i.e., the exchange of the various use-values, and consider only the economic forms generated by this process, we find that its ultimate product is money.

161:2 Sehn wir ab vom stofflichen Inhalt der Warenzirkulation, vom Austausch der verschiedenen Gebrauchswerte, und betrachten wir nur die ökonomischen Formen, die dieser Prozeß erzeugt, so finden wir als sein letztes Produkt das Geld.

↓ (2b) Money is one of the forms which capital can assume, and while it is arguably not the most important form of capital—this honor, or curse, belongs to the commodity labor-power—the money form nevertheless has special significance. Marx calls it the “first” form of capital:

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This ultimate product of commodity circulation is the first form of appearance of capital.

Dies letzte Produkt der Warenzirkulation ist die erste Erscheinungsform des Kapitals.

↓ (2bA) On the one hand, this is true in history. At the present point, Marx remains a little vague about the historical transition between pre-capitalist commodity circulation and capital, for the following reason: Circulation alone does not generate capital. Circulation leads to money, which is the condition, the soil, from which a new process emerges. But soil alone is not enough, a seed is necessary as well. We will see later that the commodity labor-power is this seed. Labor-power as a commodity however implies the appropriation of the labor of others, and this brings in much deeper social relations than those studied in the first three chapters of *Capital*, namely, it brings in class relations. In chapter Six, p. 273:3/o, Marx is going to emphasize that we are entering here a new realm. This new realm is hinted at already here, in the next sentence, where Marx brings evidence that the statement “money is the first form of capital” is valid in *history*:

247:3 Historically speaking, capital invariably first confronts landed property in the form of money; as monetary wealth, merchants' capital, and usurers' capital.¹

161:3 Historisch tritt das Kapital dem Grundeigentum überall zunächst in der Form von Geld gegenüber, als Geldvermögen, Kaufmannskapital und Wucherkapital.¹

↓ (2bB) Also in its daily practical functions, money is the “first form of appearance of capital.”

However, we do not need to look back at the history of capital's origin in order to recognize that money is its first form of appearance. Capital's story is played out before our eyes every day. Every new capital makes its first appearance on the stage—i.e. the market, whether it is the commodity market, the labor market, or the money market—in the shape of money, money which has the vocation to transform itself into capital by certain specific processes.

Jedoch bedarf es nicht des Rückblicks auf die Entstehungsgeschichte des Kapitals, um das Geld als seine erste Erscheinungsform zu erkennen. Dieselbe Geschichte spielt täglich vor unsren Augen. Jedes neue Kapital betritt in erster Instanz die Bühne, d.h. den Markt, Warenmarkt, Arbeitsmarkt, oder Geldmarkt, immer noch als Geld, Geld, das sich durch bestimmte Prozesse in Kapital verwandeln soll.

The German text contains a pun which may not be recognizable in the translation: “history” and

“story” are in German the same word “Geschichte.” The translation “has the vocation

to” in the last sentence tried to capture the Hegelian meaning of “soll.”

↑ Modern Post-Keynesian theory has noticed this too. It begins macroeconomics with a theory of money and credit exactly because each new capital enters the market as money. “Any production, in a modern economy, requires access to credit.” [Lav92, p. 149:1]

(2bC) Later in this chapter, in 255:2/o, the structural or “logical” reasons will be given why money plays such a central role for capital.

Question 492 (Fri Oct 22–Mon Oct 25) Compare what Marx says in chapter Four of Capital, 247:2 and 247:3, about money being the “first form of appearance of capital” with what he says in Contribution 389/o about money being the “elementary form of exchange-value.” 2004fa.

↓ (2c) The question “how does money as capital differ from money in its previously discussed functions?” leads us back to the circulation process.

247:4/o Money as capital distinguishes itself from money as money at first only by its different form of circulation.

161:4 Geld als Geld und Geld als Kapital unterscheiden sich zunächst nur durch ihre verschiedene Zirkulationsform.

↑ This formulation is a little misleading. Even if money is a form of capital, it still is also money in the sense that it still performs one of the functions as measure of value or means of circulation or independent incarnation of abstract wealth. The above sentence has to be read as “money as capital distinguishes itself from money which performs its monetary functions unrelated to the self-expansion of value at first only by its different form of circulation.”

Just a word about our numbering scheme. Marx started the chapter with the historical link between circulation and capital, which we called here point (1). This led him to the special role which money plays for capital, called here point (2). The discovery that money is the bridge between circulation and capital allows him to take a second, deeper look at the link between circulation and capital, which will be called point (3).

(3) In order to tell whether a given amount of money is capital or not, one has to look at the *movement* in which it is engaged. ↓ (3a) We know what the movement of money looks like which is *not* capital:

The immediate form of the circulation of commodities is $C - M - C$, transformation of commodities into money and reconversion of money into commodities; selling in order to buy.

162:1 Die unmittelbare Form der Warenzirkulation ist $W - G - W$, Verwandlung von Ware in Geld und Rückverwandlung von Geld in Ware, verkaufen, um zu kaufen.

↑ Here it might be useful to recapitulate $C - M - C$. The direct barter is a transaction in which each participant pursues two different goals: realizing the value of the product given in exchange, and selecting the use-value of the product received. These two goals are so much in conflict with each other that the direct barter breaks into two halves, sale and purchase. $C - C$ becomes $C - M - C$. The first transaction $C - M$ specializes on the realization of value, and the second transaction $M - C$ on the selection of use-values. All this was discussed at length in chapters Two and Three. ↓ (3b) New in chapter Four is the observation that these two fragments, sale and purchase, can also be put together in the reverse order: $M - C - M$.

But alongside this form we find a second, specifically different form: $M - C - M$, transformation of money into commodities and reconversion of commodities into money; buying in order to sell.

Neben dieser Form finden wir aber eine zweite, spezifisch unterschiedne vor, die Form $G - W - G$, Verwandlung von Geld in Ware und Rückverwandlung von Ware in Geld, kaufen, um zu verkaufen.

↑ With the words: “we *find* a second form” Marx indicates that this is not merely an abstract possibility. Many people in modern capitalism pursue circulation in this reverse order. $M - C - M$ is, of course, the form of circulation of capital. Marx will derive what capital is from looking at its form of circulation. A delicate bootstrapping act.

↓ But instead of saying “we will infer the essence of capital from its form of circulation,” Marx says that money itself *becomes* capital if it goes through this form of circulation. I.e., Marx announces it not as an epistemological process of learning about social relations, but an ontological transition of these social relations themselves. The researcher only watches the development of money itself.

Money, which follows this latter course in its movement, converts itself into capital, becomes capital, and, according to its determination, already is capital.

Geld, das in seiner Bewegung diese letztere Zirkulation beschreibt, verwandelt sich in Kapital, wird Kapital und ist schon seiner Bestimmung nach Kapital.

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The details of this will be developed next.

Question 493 (*Fri Oct 22–Mon Oct 25*) In 247:4/o, Marx makes three statements about money engaged in $M - C - M$: (1) this money converts itself into capital, (2) this money becomes capital, and (3) according to its determination, this money already is capital. What is the difference between these three statements? Why does Marx not say that this money is capital? 2009fa, 2008SP, 2004fa.

4.1. [M–C–M: Acts in Circulation and Motivation of the Agents]

Since money is the first form of capital, it makes sense to begin the systematic discussion of capital with money. And since money as capital differs from money as money at first only in its form of circulation, it makes sense to look at this form of circulation $M - C - M$.

Marx's goal is to explore the relations of production whose surface mediation is $M - C - M$. This exploration consists of inferences on three different levels: (1) Marx describes certain circulation phenomena visible on the surface of the economy, usually with the words that he is looking at the "form" of circulation; (2) from these circulation phenomena he draws conclusions about the activities and motivations of the persons performing these circulation acts, sometimes with the words that he is exploring the "purpose" or "aim" of the circulation phenomena; and (3) he looks at the social relations which make these individual activities possible and are at the same time sustained by them. This he calls the "content" of the circulation process.

Marx begins with a thorough *description* of the circulation process, which stays on level (1) in our classification. This is followed by inferences on levels (2) and (3); however Marx runs into an impasse and has to go back to level (1) and re-describe certain aspects of the circulation process in order to take in additional aspects of this process. Only after this can he draw his inferences on levels (2) and (3) to a conclusion.

4.1.a. [Description of M–C–M]

↓ The first paragraph is a description of the circulation act $M - C - M$.

248:1 Let us examine the circular movement $M - C - M$ a little more closely. Like the simple circulation of commodities, it passes through two opposite phases. In the first phase, $M - C$ (the purchase), the money is changed into a commodity. In the second phase, $C - M$ (the sale), the commodity is changed back into money.

↑ If one looks at the two acts separately, one sees that the first act is a purchase and the second a sale. But this is not the only thing that is visible. ↓ If one looks at the two acts as a unity, one sees their connection: the commodity acquired by the purchase is given away again, i.e., the first act is only the preparatory act for the second, it is a purchase *in order to sell*.

The unity of these two phases, however, is the movement as a whole, which exchanges

162:2 Sehn wir uns die Zirkulation $G - W - G$ näher an. Sie durchläuft, gleich der einfachen Warenzirkulation, zwei entgegengesetzte Phasen. In der ersten Phase, $G - W$, Kauf, wird das Geld in Ware verwandelt. In der zweiten Phase, $W - G$, Verkauf, wird die Ware in Geld rückverwandelt.

Die Einheit beider Phasen aber ist die Gesamtbewegung, welche Geld gegen Ware

4.1. [M–C–M: Acts in Circulation and Motivation of the Agents]

money for a commodity and the same commodity back for money, which buys a commodity in order to sell it, or, if one neglects the formal differences between buying and selling, buys a commodity with money and then buys money with a commodity.²

After looking at the two elements of the process *separately* and at their *unity*, Marx also looks at the *result* of this process. This triad (separately, unity, result) will be repeated two more times in the discussion that follows; it is the rhythm in the background which gives structure to Marx's prose. ↓ What follows now is only the first formulation of this result:

The result which remains after completion of the process is the exchange of money for money, $M - M$.

und dieselbe Ware wieder gegen Geld austauscht, Ware kauft, um sie zu verkaufen, oder wenn man die formellen Unterschiede von Kauf und Verkauf vernachlässigt, mit dem Geld Ware und mit der Ware Geld kauft.²

Das Resultat, worin der ganze Prozeß erscheint, ist Austausch von Geld gegen Geld, $G - G$.

↓ Although the empirical $M - C - M$ which we see happening in capitalism are usually exchange of money against *more* money, Marx stresses that qualitatively, beginning and end of the transaction are the same, namely, money:

If I purchase 2000 lb. cotton for £100, and resell them for £110, I have, in the end, exchanged £100 for £110, money for money.

Wenn ich für 100 Pfd.St. 2000 Pfd. Baumwolle kaufe und die 2000 Pfd. Baumwolle wieder für 110 Pfd.St. verkaufe, so habe ich schließlich 100 Pfd.St. gegen 110 Pfd.St. ausgetauscht, Geld gegen Geld.

Already when investigating the Simple form of value, in 140:3/o, Marx said that qualities have to be investigated before quantities. ↓ The next paragraph argues that the investigation of $M - C - M$ also should at first abstract from quantities, i.e., one should look at $M - C - M$ with the first and last M quantitatively equal, despite the fact that the intention behind $M - C - M$ is always to get a bigger M than the one one started with:

248:2 Now it is evident that the circulatory process $M - C - M$ would be absurd and devoid of content if the intention were, by using this roundabout route, to exchange two equal sums of money, £100 for £100. The miser's plan would be far simpler and surer: he holds on to his £100 instead of exposing it to the dangers of circulation.

162:3 Es ist nun zwar augenscheinlich, daß der Zirkulationsprozeß $G - W - G$ abgeschmackt und inhaltslos wäre, wollte man vermittelst seines Umwegs denselben Geldwert gegen denselben Geldwert, also z.B. 100 Pfd.St. gegen 100 Pfd.St. austauschen. Ungleich einfacher und sicherer bliebe die Methode des Schatzbildners, der seine 100 Pfd.St. festhält, statt sie der Zirkulationsgefahr preiszugeben.

Question 494 (Fri Oct 22–Mon Oct 25) At the beginning of 248:2 Marx says that $M - C - M$ in which the second M is intended to be equal to the first is “absurd” and “devoid of content.” Nevertheless, later in the same paragraph he says that the quantitative differences should be disregarded, and proceeds to investigate $M - C - M$. Why does he insist on investigating a possibility which he just called “absurd” and “devoid of content”? 2008SP.

↓ The abstraction from the quantities can be defended on the grounds that $M - C - M$ has a special character even if the intended quantitative increase is not achieved:

And yet, whether the merchant who has paid £100 for his cotton sells it for £110, or lets it go for £100, or even £50, in each of these

Andrerseits, ob der Kaufmann die mit 100 Pfd.St. gekaufte Baumwolle wieder verkauft zu 110 Pfd.St., oder ob er sie zu 100

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cases his money has described a characteristic and original path, quite different in kind from the path of simple circulation, as for instance in the case of the peasant who sells corn, and with the money thus garnered buys clothes.

Pfd.St. und selbst zu 50 Pfd.St. losschlagen muß, unter allen Umständen hat sein Geld eine eigentümliche und originelle Bewegung beschrieben, durchaus anderer Art als in der einfachen Warenzirkulation, z.B. in der Hand des Bauern, der Korn verkauft und mit dem so gelösten Geld Kleider kauft.

↑ Even if a merchant loses money in one of his transactions, he is still engaged in a very specific circuit, which starts with money and ends with money. I.e., form and quantity are two different aspects: a change in quantity does not change the form. In the first stage of the investigation of this circuit, which concentrates on this form, Marx disregards therefore its quantitative aspect. ↓ In addition, Marx takes it as granted that this research must be a comparison of $M - C - M$ with $C - M - C$.

It is therefore first necessary to characterize the differences in form between the two circular paths $M - C - M$ and $C - M - C$. This will provide us at the same time with the difference in content lurking behind these differences in form.

Es gilt also zunächst die Charakteristik der Formunterschiede zwischen den Kreisläufen $G - W - G$ und $W - G - W$. Damit wird sich zugleich der inhaltliche Unterschied ergeben, der hinter diesen Formunterschieden lauert.

He does not justify why it should be a comparison, presumably this is the case because $C - M - C$ is the normal form of the process, from which the inverted or perverted $M - C - M$ takes off.

The next phase in Marx's investigation is therefore a comparison between $M - C - M$ and $C - M - C$.

4.1.b. [What M-C-M and C-M-C Have in Common]

248:3 Let us first see what the two forms have in common.

162:4 Sehn wir zunächst, was beiden Formen gemeinsam.

↓ In order to see what the two circuits have in common, Marx describes the two circuits in as much detail as possible with words ambiguous enough that the same description applies to both circuits:

248:4/o Both circular paths are composed of the same two opposite phases, $C - M$, sale, and $M - C$, purchase. In each phase the same material elements confront each other, namely a commodity and money, and the same economic character masks, a buyer and a seller. Each circular path is the unity of the same two opposite phases, and in each case this unity is mediated through the participation of three contractual agents, of whom one only sells, another only buys, and the third both buys and sells.

163:1 Beide Kreisläufe zerfallen in dieselben zwei entgegengesetzten Phasen, $W - G$, Verkauf, und $G - W$, Kauf. In jeder der beiden Phasen stehn sich dieselben zwei sachlichen Elemente gegenüber, Ware und Geld—and zwei Personen in denselben ökonomischen Charaktermasken, ein Käufer und ein Verkäufer. Jeder der beiden Kreisläufe ist die Einheit derselben entgegengesetzten Phasen, und beidemal wird diese Einheit vermittelt durch das Auftreten von drei Kontrahenten, wovon der eine nur verkauft, der andre nur kauft, der dritte aber abwechselnd kauft und verkauft.

4.1. [M–C–M: Acts in Circulation and Motivation of the Agents]

4.1.c. [How M–C–M and C–M–C Differ]

If quantities are abstracted from, the most striking difference between $C - M - C$ and $M - C - M$ is the inverted order of sale and purchase. Marx's analysis of the differences begins therefore with a look at the process as a unity. Marx needs to see what this inversion means for the overall process, before he can ask how this changes the character of the individual acts. Then he will point out that the purchase, as an individual act, has a different character in $C - M - C$ than in $M - C - M$. After this, he looks at the result of the processes, and at the end, he also notes an important difference when $C - M - C$ and $M - C - M$ are looked at as continuous processes.

[Looking at the Process as a Unity]

249:1 However the two circular paths $C - M - C$ and $M - C - M$ differ, obviously, by the inverted order in which the same two opposite phases of circulation are traversed. The simple circulation of commodities begins with a sale and ends with a purchase, while the circulation of money as capital begins with a purchase and ends with a sale.

↓ If one looks at both phases as a unity, as Marx already did in 248:1 when looking at $M - C - M$ alone, the difference can be formulated as follows:
In the one case, starting point and end point of the movement are commodities, in the other, money. The whole process is mediated in the first form by money, while in the second, inversely, by the commodity.

↑ The money in $C - M - C$, and the commodity in $M - C - M$, are held temporarily and then traded away again. As an *act of circulation*, holding something temporarily and then trading it away again satisfies the definition of "mediation." It is also mediation *for the circulation agents*, because they will go through this detour only if it helps them to reach their goal, i.e., if they hold the money or commodity *in order to* get the commodity or money which concludes the transaction.

163:2 Was jedoch die beiden Kreisläufe $W - G - W$ und $G - W - G$ von vornherein scheidet, ist die umgekehrte Reihenfolge derselben entgegengesetzten Zirkulationsphasen. Die einfache Warenzirkulation beginnt mit dem Verkauf und endet mit dem Kauf, die Zirkulation des Geldes als Kapital beginnt mit dem Kauf und endet mit dem Verkauf.

Dort bildet die Ware, hier das Geld den Ausgangspunkt und Schlußpunkt der Bewegung. In der ersten Form vermittelt das Geld, in der andren umgekehrt die Ware den Gesamtverlauf.

[The Purchase Considered Separately: Spending versus Advancing]

↓ The act $M - C$, the purchase, is different when it is part of $M - C - M$ than when it is part of $C - M - C$:

249:2 In the circulation $C - M - C$, money is in the end converted into a commodity which serves as a use-value; it has therefore been spent once and for all. In the inverted form $M - C - M$, on the contrary, the buyer lays out money in order that, as a seller, he may recover money. By his purchase of a commodity he throws money into circulation, in order to withdraw it again by the

163:3 In der Zirkulation $W - G - W$ wird das Geld schließlich in Ware verwandelt, die als Gebrauchswert dient. Das Geld ist also definitiv ausgegeben. In der umgekehrten Form $G - W - G$ gibt der Käufer dagegen Geld aus, um als Verkäufer Geld einzunehmen. Er wirft beim Kauf der Ware Geld in die Zirkulation, um es ihr wieder zu entziehn durch den Verkauf derselben Ware. Er

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sale of the same commodity. He releases the money, but only with the cunning intention of getting it back again.

↓ The difference is so striking that these two types of spending money even have different names:

The money therefore is not spent, it is merely advanced.³

³ ‘When a thing is bought in order to be sold again, the sum employed is called money advanced; when it is bought not to be sold, it may be said to be expended’ (James Steuart, Works, etc., edited by General Sir James Steuart, his son, London, 1805, Vol. 1, p. 274).

entläßt das Geld nur mit der hinterlistigen Absicht, seiner wieder habhaft zu werden.

Es wird daher nur vorgeschossen.³

³ „Wenn ein Ding gekauft wird, um wieder verkauft zu werden, nennt man die hierzu verwendete Summe vorgeschossenes Geld; wird es gekauft, um nicht wieder verkauft zu werden, so kann man sie als verausgabt bezeichnen.“ (James Steuart, „Works etc.“, edited by General Sir James Steuart, his son, Lond. 1805, v. 1, p. 274.)

Exam Question 496 Give examples for “advancing” and “expending” money. [2009fa](#), [2008fa](#), [2007SP](#), [2004fa](#), [2003fa](#), [2001fa](#), [2000fa](#), [1999SP](#), [1997ut](#), [1997WI](#), [1996sp](#), [1995ut](#), [1995WI](#).

Question 497 (Fri Oct 22–Mon Oct 25) If someone first buys a car, and after two years trades it in for a new car, is that $C - M - C$ or $M - C - M$?

If someone first buys a house, then after ten years decides to move and sells his house for a profit, is this $C - M - C$ or $M - C - M$?

If a farmer raises wheat, then at the end of the year sells his crop and with the proceeds buys the materials to raise next year’s wheat, is that $C - M - C$ or $M - C - M$? [2009fa](#), [2008SP](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#), [1999SP](#), [1998WI](#), [1996ut](#), [1996sp](#).

↑ Since language has reserved two different words for the act $M - C$, according to whether it is part of $C - M - C$ or $M - C - M$, the inference from the form of circulation to individual motivations simply consists in looking up the meaning of these two words. The existence of these two words also confirms that Marx is justified in concluding from the form of circulation to individual motivations.

[Result of M–C–M: The Reflux]

↓ Here Marx argues on level (1), the level of the surface events in circulation, but instead of staying on the microeconomic level he takes a macroeconomic look at the circulation phenomena:

249:3 In the form $C - M - C$, the same piece of money is displaced twice. The seller gets it from the buyer and pays it away to another seller. The whole process, which begins with the receipt of money in return for commodities, comes to an end with the relinquishing of money in return for commodities.

In chapter Three, p. 210:1, Marx emphasizes that the circulation process of the commodity $C - M - C$ “sweats out” money, it pushes money through the economy, but that the money

163:4 In der Form $W - G - W$ wechselt dasselbe Geldstück zweimal die Stelle. Der Verkäufer erhält es vom Käufer und zahlt es weg an einen andren Verkäufer. Der Gesamtprozeß, der mit der Einnahme von Geld für Ware beginnt, schließt ab mit der Weggabe von Geld für Ware.

4.1. [M–C–M: Acts in Circulation and Motivation of the Agents]

itself does not go in a circle. He calls it the “flow” of money, not its “circuit.” In $M - C - M$, the situation is different:

In the form $M - C - M$ this process is inverted. Here it is not the piece of money which is displaced twice, but the commodity. The buyer takes it from the hands of the seller and passes it into the hands of another buyer. Whilst in the simple circulation of commodities the twofold displacement of the same piece of money effects its definitive transfer from one hand into another, here the twofold displacement of the same commodity causes the money to flow back to its initial point of departure.

↓ This reflux plays an important role in Marx’s theory. $M - C - M$ is only possible if the overall circulation has such a structure that the money flows back to the person who has originally spent it. Apparently Marx argues here: since $M - C - M$ is happening, we know that the overall circulation process must have a structure which provides for this reflux. The next paragraph give the following clarifications:

- That *there is* a reflux is not a question of the quantity of the reflux.
- The fact that the money flows back is a “palpable difference,” one which one can see by a mere observation of the circulation phenomena without having to “interpret” the agents.

250:1 This reflux of money to its starting-point does not depend on the commodity’s being sold for more than was paid for it. That only has a bearing on the amount of money which flows back. The phenomenon of reflux itself takes place as soon as the purchased commodity is resold, i.e., as soon as the cycle $M - C - M$ has been traversed in its entirety. This is, therefore, a palpable difference between the circulation of money as capital, and its circulation as mere money.

Umgekehrt in der Form $G - W - G$. Nicht dasselbe Geldstück wechselt hier zweimal die Stelle, sondern dieselbe Ware. Der Käufer erhält sie aus der Hand des Verkäufers und gibt sie weg in die Hand eines andren Käufers. Wie in der einfachen Warenzirkulation der zweimalige Stellenwechsel desselben Geldstücks sein definitives Übergehn aus einer Hand in die andre bewirkt, so hier der zweimalige Stellenwechsel derselben Ware den Rückfluß des Geldes zu seinem ersten Ausgangspunkt.

164:1 Der Rückfluß des Geldes zu seinem Ausgangspunkt hängt nicht davon ab, ob die Ware teurer verkauft wird, als sie gekauft war. Dieser Umstand beeinflußt nur die Größe der rückfließenden Geldsumme. Das Phänomen des Rückflusses selbst findet statt, sobald die gekaufte Ware wieder verkauft, also der Kreislauf $G - W - G$ vollständig beschrieben wird. Es ist dies also ein sinnlich wahrnehmbarer Unterschied zwischen der Zirkulation des Geldes als Kapital und seiner Zirkulation als bloßem Geld.

↑ The agent engaged in $M - C - M$ never really gives up the money; like a yo-yo, the money keeps returning to the same person again and again. The different order of $M - C$ and $C - M$ has therefore spawned an important qualitative difference between $C - M - C$ and $M - C - M$. The sustained repetition of $M - C - M$ is only possible if the overall flow of money through the economy is such that the money indeed returns. Marx has written about this in volume II of *Capital*, and also in his study of banking capital in volume III. The macroeconomic “law of reflux” also played a big role in the monetary economics of his time. [Gre87], in the Palgrave dictionary, says that this law of reflux is a rehabilitation of the real bills doctrine. The reflux is known also today in the aphorism “capitalists get what they spend, and workers spend what they get.”

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Question 499 (Fri Oct 22–Mon Oct 25) In 208:1, Marx says that the circulation process $C - M - C$ “sweats money from every pore.” Would he say the same thing about $M - C - M$, or would he characterize the flow of money generated by $M - C - M$ in a different way?

Question 500 (Fri Oct 22–Mon Oct 25) Why does Marx place so much emphasis on the “reflux” of money implied in the form $M - C - M$? 2008SP, 2007SP.

[Repetition of $C - M - C$ Versus Repetition of $M - C - M$]

↓ If one looks at $C - M - C$ and $M - C - M$ as continuous processes, this reflux makes an important difference.

- In $C - M - C$ there is no reflux, but there can be repetition.
- The reflux allows the person doing $M - C - M$ to continue this process indefinitely.

250:2 The cycle $C - M - C$ is fully traversed when the money brought in by the sale of one commodity is withdrawn again by the purchase of another. If nevertheless a reflux of money to its starting-point occurs, this can happen only through a renewal or repetition of the whole course of the movement. If I sell a quarter of corn for £3, and with this £3 buy clothes, the money, so far as I am concerned, is irreversibly spent. I have nothing more to do with it. It belongs to the clothes merchant. If I now sell a second quarter of corn, money indeed flows back to me—not however as a result of the first transaction, but due to its repetition. The money again leaves me as soon as I complete this second transaction by a fresh purchase. In the cycle $C - M - C$, therefore, there is no connection between the expenditure of money and its reflux.

164:2 Der Kreislauf $W - G - W$ ist vollständig zurückgelegt, sobald der Verkauf einer Ware Geld bringt, welches der Kauf anderer Ware wieder entzieht. Erfolgt dennoch Rückfluß des Geldes zu seinem Ausgangspunkt, so nur durch die Erneuerung oder Wiederholung des ganzen Kursus. Wenn ich ein Quarter Korn verkaufe für 3 Pfd.St. und mit diesen 3 Pfd.St. Kleider kaufe, sind die 3 Pfd.St. für mich definitiv verausgabt. Ich habe nichts mehr mit ihnen zu schaffen. Sie sind des Kleiderhändlers. Verkaufe ich nun ein zweites Quarter Korn, so fließt Geld zu mir zurück, aber nicht infolge der ersten Transaktion, sondern nur infolge ihrer Wiederholung. Es entfernt sich wieder von mir, sobald ich die zweite Transaktion zu Ende führe und von neuem kaufe. In der Zirkulation $W - G - W$ hat also die Herausgabe des Geldes nichts mit seinem Rückfluß zu schaffen.

The phrase “hat nichts damit zu schaffen” (“has nothing to do with”) is an unfortunate choice of words by Marx, because the word “schaffen” (which is meant here colloquially and has the connotation of “labor” and

“create” instead of simply “do”) suggests that the alternative rejected by Marx would be the outflow of money creating the conditions for its backflow. This is untrue in $C - M - C$ but it is also untrue in $M - C - M$: even in

$M - C - M$ the reflux is not facilitated by the expenditure. So where is the difference between $C - M - C$ and $M - C - M$? Marx’s next sentence will explain.

In chapter Three, 210:1, this lack of connection between expenditure and reflux was Marx’s starting point for the discussion of the flow of money, which is not a circular flow although the metamorphosis of the commodity is a circular movement (it starts with C and returns to C). Here in chapter Four, however, the fact is relevant that the circular movement

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$C - M - C$ dies down after one turnover. This distinguishes it from $M - C - M$, a circular movement which does not die down:

In $M - C - M$, on the other hand, the very manner in which the money is expended relies on its reflux. Without this reflux, the operation fails, or the process is interrupted and incomplete, since its complementary final phase, the sale, is missing.

In $G - W - G$ dagegen ist der Rückfluß des Geldes durch die Art seiner Verausgabung selbst bedingt. Ohne diesen Rückfluß ist die Operation mißglückt oder der Prozeß unterbrochen und noch nicht fertig, weil seine zweite Phase, der den Kauf ergänzende und abschließende Verkauf, fehlt.

The word translated here with “relies” is the German word “bedingt”—a more literal translation would be “presupposes.” A presupposes B means: A can happen only if B

happens. This is not meant as a condition in every single case: it is certainly possible that individual capitalists advance their money without ever getting it back. Presumably Marx means to say

here: Had the macro structure of the flow of money not allowed for the reflux of money, then $M - C - M$ could never have evolved as a socially common way of doing things.

4.1.d. [Purposes of C–M–C and M–C–M]

This detailed comparative analysis of the circulation processes $C - M - C$ and $M - C - M$ enables us to infer the purposes of the agents. Since Marx and his readers live in the society investigated here, he can draw on the common knowledge about what goes on in the heads of the persons performing $C - M - C$ and $M - C - M$. ↑ The purposes of the agents performing $C - M - C$ are easy to see:

250:3 The circuit $C - M - C$ issues from the extreme constituted by one commodity, and concludes with the extreme constituted by another commodity, which falls out of circulation and into consumption. Consumption, the satisfaction of needs, in short use-value, is therefore the final purpose of this circuit.

164:3 Der Kreislauf $W - G - W$ geht aus von dem Extrem einer Ware und schließt ab mit dem Extrem einer andren Ware, die aus der Zirkulation heraus und der Konsumtion anheimfällt. Konsumtion, Befriedigung von Bedürfnissen, mit einem Wort, Gebrauchs-wert ist daher sein Endzweck.

↑ Marx infers the purposes of $C - M - C$ and $M - C - M$ from comparing the beginning point with the end point—because this tells us the effect of this transaction for the main agent. $C - M - C$ begins with a commodity, and ends with a commodity that has a different use-value. Therefore its purpose must be use-value. ↓ $M - C - M$ by contrast goes from money to money. By the same logic we can conclude that its purpose is exchange-value.

The circuit $M - C - M$, however, issues from the extreme of money and finally returns to that same extreme. Its driving motive and determining purpose is therefore exchange-value itself.

Der Kreislauf $G - W - G$ geht dagegen aus von dem Extrem des Geldes und kehrt schließlich zurück zu demselben Extrem. Sein treibendes Motiv und bestimmender Zweck ist daher der Tauschwert selbst.

↑ In fact, we know that the purpose of the individual performing $M - C - M$ can only be to get *more* exchange-value than he previously had. But since we are not looking at quantities right now, but only the qualitative aspect of the movement, we can only say here that the concern of the transactors revolves around the exchange-value, not the use-value of the product.

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4.1.e. [The Social Content Behind C–M–C and M–C–M]

Until now, Marx looked at the circulation forms, i.e., level (1) as defined above, and the purposes of the agents, i.e., level (2). Now, he goes down to level (3) of his investigation and draws conclusions about the social content. (This social content is not dependent on the purposes themselves, but on what the agents *do* while pursuing their purposes.)

250:4/oo In the simple circulation of commodities the two extremes have the same economic form. They are both commodities, and commodities of equal value.

↑ Of course, individuals not only have to acquire the use-values they need, but in the process they also wish to get as good a bargain as possible. But since everybody has this goal, competition sees to it that on average the commodities which change hands have equal values. ↓ The content of the movement therefore does not have to do with value, but with use-value only:

But they are qualitatively different use-values, as for example corn and clothes. The exchange of products, the metabolism between the various physical objects in which social labor represents itself, constitutes here the content of the movement.

↑ The social function which the agents fulfill while satisfying their private needs through commodity exchange is the transfer of the goods from those who produce them to those who use them, see also 726:2. ↓ Next Marx looks at the content of $M - C - M$:

It is otherwise in the cycle $M - C - M$. At first sight it seems to lack any content, to be tautological. Both extremes have the same economic form. Instead of being qualitatively different use-values they are both money—precisely the transmuted form of commodities in which their particular use-values are extinguished. To exchange £100 for cotton, and then to exchange this same cotton again for £100, is merely a round-about way of exchanging money for money, the same for the same, and seems to be an operation as purposeless as it is absurd.⁴

164:4/0 In der einfachen Warenzirkulation haben beide Extreme dieselbe ökonomische Form. Sie sind beide Ware. Sie sind auch Waren von derselben Wertgröße.

Aber sie sind qualitativ verschiedene Gebrauchswerte, z.B. Korn und Kleider. Der Produktaustausch, der Wechsel der verschiedenen Stoffe, worin sich die gesellschaftliche Arbeit darstellt, bildet hier den Inhalt der Bewegung.

Anders in der Zirkulation $G - W - G$. Sie scheint auf den ersten Blick inhaltslos, weil tautologisch. Beide Extreme haben dieselbe ökonomische Form. Sie sind beide Geld, also keine qualitativ unterschiedlichen Gebrauchswerte, denn Geld ist eben die verwandelte Gestalt der Waren, worin ihre besondren Gebrauchswerte ausgelöscht sind. Erst 100 Pfd.St. gegen Baumwolle und dann wieder dieselbe Baumwolle gegen 100 Pfd.St. austauschen, also auf einem Umweg Geld gegen Geld, dasselbe gegen dasselbe, scheint eine ebenso zwecklose als abgeschmackte Operation.⁴

↑ $M - C - M$ doesn't seem to have a social content, since the transaction ends up at the same place where it began. What social function can this have? As in several other instances before, we have arrived at an impasse.

4.2. [The Definition of Capital]

$M - C - M$ is much too prevalent *not* to have a social content (or to merely have the content of gambling, as suggested in the footnote). The resolution of this impasse gives us the definition of Capital.

4.2.a. [Not M–C–M but M–C–M']

In order to prepare for the resolution of this impasse, Marx takes the quantity of value into consideration. While Marx was investigating the form of the circulation, the quantity would have been distracting and had to be disregarded, but in order to get down to the content, it turns out that Marx not only needs the form but also the quantity. Marx has already remarked in 248:2 that individuals would never engage in $M - C - M$ would they not get more money back than they spend. These quantitative differences must also be considered if one is interested in the overall social impact of the activity of many capitalists:

One sum of money is distinguishable from another only by its quantity. The process $M - C - M$ therefore owes its content not to any qualitative difference between its extremes, for they are both money, but solely to their quantitative difference. More money is withdrawn from circulation at the end than was thrown into it at the beginning. The cotton originally bought for £100 is for example re-sold at £100 + £10, i.e., £110. The complete form of this process is therefore $M - C - M'$, where $M' = M + \Delta M$, i.e., the original sum advanced plus an increment.

Eine Geldsumme kann sich von der andren Geldsumme überhaupt nur durch ihre Größe unterscheiden. Der Prozeß $G - W - G$ schuldet seinen Inhalt daher keinem qualitativen Unterschied seiner Extreme, denn sie sind beide Geld, sondern nur ihrer quantitativen Verschiedenheit. Schließlich wird der Zirkulation mehr Geld entzogen, als anfangs hineingeworfen ward. Die zu 100 Pf.d.St. gekaufte Baumwolle wird z.B. wieder verkauft zu 100 + 10 Pf.d.St. oder 110 Pf.d.St. Die vollständige Form dieses Prozesses ist daher $G - W - G'$, wo $G' = G + \Delta G$, d.h. gleich der ursprünglich vorgeschoßnen Geldsumme plus einem Inkrement.

The phrase “complete form of this process” is presumably short for “complete description of the form of this process.” (The word “complete” is also used in 256:3/o.) Earlier in the chapter we have made abstraction of the quantities involved, in order to see the characteristic activities of the agents performing these circulation acts. But now we discover that we cannot keep the quantity separate from the qualitative aspects of the form if we want to understand the social relations which make these circulation acts possible and necessary. The abstraction from quantities, which served us well earlier, has become a hindrance at the present stage of the investigation.

Question 503 (Fri Oct 22–Mon Oct 25) In 248:2 Marx argues that one should disregard the quantitative difference, i.e., only look at the form $M - C - M$ without paying attention to quantitative difference between the second M and the first, while two pages later, in 250:4/oo, Marx says that it is important to look at the quantities. What made him change his mind?

In his second attempt below, Marx will therefore search for the social content behind $M - C - M'$, not $M - C - M$. Before doing this, Marx defines his terminology:

This increment or excess over the original value I call—surplus-value.

Dieses Inkrement oder den Überschuß über den ursprünglichen Wert nenne ich—Mehrwert (surplus-value).

↑ The existence of a name for this quantitative difference is additional confirmation that this quantitative difference matters. ↓ The full description of the circulation of capital is therefore:

The value originally advanced, therefore, not only remains intact while in circulation,

Der ursprünglich vorgeschoßne Wert erhält sich daher nicht nur in der Zirkulation, son-

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but it increases its magnitude, adds to itself a surplus-value, or is valorized. And this movement converts this value into capital.

dern in ihr verändert er seine Wertgröße, setzt einen Mehrwert zu oder verwertet sich. Und diese Bewegung verwandelt ihn in Kapital.

We have arrived at a very general definition of capital: capital is value in motion. Marx is taking his time to unpack what this means. He makes several points:

(a) Value differences in $C - M - C$ are possible as well but here they are irrelevant.

(b) In $M - C - M'$, the end is qualitatively equal to the beginning but it is bigger. This leads to an insatiable spiral.

(c) due to the “reflux,” the same individual (the capitalist) performs this movement over and over again, and since the capitalist identifies with the unbounded increase in value and makes it his personal motive, it becomes an especially powerful social force.

Question 504 (*Fri Oct 22–Mon Oct 25*) *What is capital?* [2007fa](#), [2003fa](#), [2001fa](#), [2000fa](#), [1997ut](#), [1997sp](#), [1997WI](#), [1996ut](#), [1996sp](#), [1995WI](#).

↓ (a) If we need to look at the quantities in order to understand the social content of $M - C - M'$, does this mean we should also look at the quantities involved in $C - M - C$? The next paragraph explains why this is not necessary:

252:1 Of course, it is also possible that in $C - M - C$ the two extremes C and C , say corn and clothes, may represent quantitatively different magnitudes of value. The peasant may sell his corn above its value, or may buy the clothes at less than their value. He may, on the other hand, be cheated by the clothes merchant. Yet, for this particular form of circulation, such differences in value are purely accidental.

165:1/o Es ist zwar auch möglich, daß in $W - G - W$ die beiden Extreme, W, W , z.B. Korn und Kleider, quantitativ verschiedene Wertgrößen sind. Der Bauer kann sein Korn über dem Wert verkaufen oder die Kleider unter ihrem Wert kaufen. Solche Wertverschiedenheit bleibt jedoch für diese Zirkulationsform selbst rein zufällig.

↓ Marx gives two different reasons why for $C - M - C$, value differences between the first and second C are not relevant:

The fact that the corn and the clothes are equivalents does not deprive the process of all sense and meaning, as it does in $M - C - M$. The equality of their values is rather the condition under which it can take its normal course.

Sinn und Verstand verliert sie nicht schier, wie der Prozeß $G - W - G$, wenn die beiden Extreme, Korn und Kleider z.B., Äquivalente sind. Ihr Gleichwert ist hier vielmehr Bedingung des normalen Verlaufs.

↑ First reason: While a capitalist who does $M - C - M'$ with $M = M'$ would have been better off not traversing the circuit at all, a $C - M - C'$ in which C' has a different value than C may still be necessary because of the use-value of C' . Second reason: Although it is possible that the values of the two extremes in $C - M - C$ have different magnitudes, this would be only an accident, an irregularity, which will be ironed out over time in the normal course of things. Because of this, there is no need to introduce quantitative differences into the form $C - M - C$ in order to uncover its social content.

Question 506 (*Fri Oct 22–Mon Oct 25*) *In the exchange process, it is clearly the objective of the traders to get as much in return for their commodity as possible. Likewise, it is clearly the objective of the capitalists to get as much return on their capital as possible. Nevertheless Marx analyzes the exchange as an equalization and abstracts from the quantitative*

differences, while his analysis of the circuit of capital explicitly takes the quantitative differences into consideration. Is this unequal methodology justified, or does it bias Marx's results?

4.2.b. [C–M–C and M–C–M' as Ongoing Processes]

(b) After revisiting the form in the sphere of circulation order to introduce the quantitative dimension into it, Marx investigates once more the purposes of the agents, and the social content behind both $C - M - C$ and $M - C - M'$. But Marx makes two additional changes compared with his first attempt: he looks at these processes not as one-time processes but as repeated processes. And since he brought the quantity in, he is not only interested in the quality of the content driving these processes but also in its *measure*.

252:2/o The repetition or renewal of the process of selling in order to buy finds its measure and its goal (as does the process itself) in a final purpose which lies outside it, namely consumption, the satisfaction of certain specific needs.

↑ The repetition of $C - M - C$ does not alter the conclusion obtained in 250:4/oo. It finds its measure in the satisfaction of the needs, which are themselves regenerated over time. ↓ But $M - C - M'$ has only itself as measure and is therefore *insatiable*.

In buying in order to sell, by contrast, the end and the beginning are the same, money or exchange-value. Already because of this, the movement is endless.

↑ Marx says here “endless” (*endlos*), not yet “insatiable” (*maßlos*). The movement is endless because beginning and end point coincide. This is a *condition* for the insatiability of capital, but the insatiability itself is driven by other mechanisms, which will be developed later. ↓ After saying that beginning and end coincide, Marx says in the very next sentence that there is a difference after all:

Certainly, M has become $M + \Delta M$, £100 turned into £100 + £10. But, considered qualitatively, £110 is the same as £100, namely money; while, from the quantitative point of view, £110 is, like £100, a sum of definite and limited value.

↑ Although there is a difference, the difference between M and M' is *slight*. Both have the same quality, they are money, and quantitatively both are limited—this is a brief allusion to the curse of money which will be made more explicit in the third sentence after this. ↓ M' is not qualitatively different from M and therefore must also do the same thing as M , namely, re-enter the process. Marx argues this by ruling out possible alternative uses of this backflow of capital:

If the £110 were spent as money they would fall out of character, they would cease to be capital. Withdrawn from circulation, they petrify into a hoard, and even if they were to endure in this position until the Last Judge-

166:1/o Die Wiederholung oder Erneuerung des Verkaufs, um zu kaufen, findet, wie dieser Prozeß selbst, Maß und Ziel an einem außer ihm liegenden Endzwecke, der Konsumtion, der Befriedigung bestimmter Bedürfnisse.

Im Kauf für den Verkauf dagegen sind Anfang und Ende dasselbe, Geld, Tauschwert, und schon dadurch ist die Bewegung endlos.

Allerdings ist aus G , $G + \Delta G$ geworden, aus den 100 Pfd.St., 100 + 10. Aber bloß qualitativ betrachtet, sind 110 Pfd.St. dasselbe wie 100 Pfd.St., nämlich Geld. Und quantitativ betrachtet, sind 110 Pfd.St. eine beschränkte Wertsumme wie 100 Pfd.St.

Würden die 110 Pfd.St. als Geld verausgabt, so fielen sie aus ihrer Rolle. Sie hören auf, Kapital zu sein. Der Zirkulation entzogen, versteinern sie zum Schatz, und kein Farthing wächst ihnen an, ob sie bis zum Jüng-

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ment, not a single farthing would accrue to them.

↑ Marx rules out two possible uses of M' , either spending it, or hoarding it miser-like as in 231:1. In the first alternative, money leaves the circuit $M - C - M'$ and enters $C - M - C$, and in the second it is unable to achieve any further increments M' after the original $M - C - M'$.

↓ Therefore no other possibility is left than re-entering the circuit.

As long as, therefore, valorization of value is the purpose, £110 have the same need for valorization as £100. Both are bounded expressions of exchange-value, and therefore both have the same calling, to approach, by quantitative expansion, as near as possible to absolute wealth.

sten Tage fortlagern.

Handelt es sich also einmal um Verwertung des Werts, so besteht dasselbe Bedürfnis für die Verwertung von 110 Pfd.St. wie für die von 100 Pfd.St., da beide beschränkte Ausdrücke des Tauschwerts sind, beide also denselben Beruf haben, sich dem Reichtum schlechthin durch Größenausdehnung anzunähern.

Question 507 (*Fri Oct 22–Mon Oct 25*) *Is it right to say that $M - C - M$ is incomplete because it ends with money, and the money is nothing by itself but must be spent?* 2009fa, 2007fa, 2007SP, 2005fa, 2004fa.

4.2.c. [Digression: The Curse of Money]

This last paragraph contained a very brief introduction of what we are calling here, in these Annotations, the “curse of money,” namely, the need for self-expansion which is implied in the nature of money. The “curse” was also briefly mentioned in chapter Three, 230:1/o, during the discussion of the miser. Since it is an important subject I will bring here a passage from *Grundrisse*, 269:2/oo, where Marx discusses it in more detail.

↓ First Marx’s argument is very similar to the argument given here in chapter Four of *Capital*, in the first sentence of 250:4/oo:

We have already seen, in the case of money, how value, after assuming the independent form of money—or the general form of wealth—is capable of no other motion than a quantitative one; to increase itself.

Wir haben schon gesehn beim Geld, wie der als solches verselbständigte Wert—oder die allgemeine Form des Reichtums—keiner andren Bewegung fähig ist, als einer quantitativen; sich zu vermehren.

↓ But then Marx goes on to explain that besides being the only *possibility*, this quantitative expansion is also a *necessity* rooted in the money form:

According to its concept, money is the quintessence of all use-values; but since it is always only a given amount of money (here, capital), its quantitative boundedness stands in contradiction to its quality. The constant drive beyond its own boundedness is therefore inherent in its nature.

Seinem Begriff nach ist er der Inbegriff aller Gebrauchswerte; aber als immer nur ein bestimmtes Quantum Geld (hier Kapital) ist seine quantitative Schranke im Widerspruch zu seiner Qualität. Es liegt daher in seiner Natur beständig über seine eigne Schranke hinauszutreiben.

↑ In other words: qualitatively, money gives access to all use-values, i.e., qualitatively it is universal. This qualitative universality comes in conflict with its quantitative boundedness, since money always only exists as a finite (Marx would say “bounded”) sum of money. This conflict tries to come to a resolution by quantitative expansion. The drive for quantitative expansion belongs therefore to the nature of money. This is often not recognized. A few sentences after the above quotes, in the same long paragraph in *Grundrisse*, Marx writes:

4.2. [The Definition of Capital]

It is damned difficult for Messrs the economists to make the theoretical transition from the self-preservation of capital to its multiplication, not merely as a contingent feature or a result, but belonging its fundamental character.

There is evidence that Marx was thinking along the same lines when he wrote *Capital*. Chapter Three, 230:1/o, contains a similar allusion as part of the discussion of the miser, which applies not only to the miser but also to the capitalist. Also the last sentence which we just read, here in chapter Four, namely 252:2/o, gives a shorthand version of the argument. It reads more like a brief allusion to an argument developed elsewhere, than such an argument itself. Marx seems unaware that he never developed this argument in sufficient detail in *Capital*. Marx is writing as if something corresponding to the above *Grundrisse* passage had been included somewhere in *Capital*, while in fact it never was.

Den Herren Ökonomen wird es verdammt schwer, theoretisch fortzukommen von der Selbsterhaltung des Werts im Kapital zu seiner Vervielfältigung; nämlich diese in seiner Grundbestimmung, nicht nur als Akzidens oder nur als Resultat.

Question 511 (Fri Oct 22–Mon Oct 25) *Why does monetary wealth have the urge to multiply itself? (Do not describe at this point how it does it but why in modern society the unlimited accumulation of wealth is such an overriding and powerful objective.)* 2009fa, 2008fa, 2008SP, 2007fa, 2007SP, 2003fa, 2002fa, 2001fa, 1999SP, 1998WI, 1997WI, 1996sp, 1995ut.

Question 512 (Fri Oct 22–Mon Oct 25) *Bring everyday examples illustrating the drive for self-expansion inherent in the nature of money.* 2008fa, 2004fa, 2003fa, 2001fa, 1999SP, 1997ut, 1995ut.

4.2.d. [The Measure of M–C–M']

From this discussion of the curse of money it becomes clear that the agents who perform $M - C - M'$ can never get enough—because the increased amount of money suffers from the same contradiction as the original amount: both would be able to buy *everything* were they not eventually exhausted. Through the never-ending expansion of the magnitude of its value, capital tries to capture the infinite variety of use-values in which value can represent itself.

After arguing that there is no essential difference between M and M' (this is Hegel's definition of a quantitative difference, it is a difference with nothing to distinguish the differing elements), the next step of the argument is that the receipt of M' automatically puts the capitalist in the position to begin the circle again. This is not the case with $C - M - C$. The second commodity C “falls out of circulation,” and in order to restart the process one has to come up with a new first commodity C . In *Grundrisse*, Marx writes that $C - M - C$ is like a fire which can only keep burning if fuel is continually added to it from the outside. $M - C - M'$ might perhaps be compared with a nuclear breeder reactor that generates its own fuel.

↓ The argument begins with the observation that the absence of a difference between M and M' is not just a matter of theoretical description. Also in the practical turnover, this difference does not persist:

For a moment, it is true, the value originally advanced, the £100, distinguishes itself from the surplus-value of £10 added

Zwar unterscheidet sich für einen Augenblick der ursprünglich vorgeschoßene Wert 100 Pfd.St. von dem in der Zirkulation ihm

4. General Formula of Capital

to it during circulation. But in an instant, this distinction dissipates again. At the end of the process, we do not receive on the one hand the original £100, and on the other surplus-value of £10. What emerges is rather a value of £110, which is exactly in the same form, appropriate for commencing the valorization process, as the original £100. At the end of the movement, money re-emerges in order to begin it again.⁵

⁵ ‘Capital is divided . . . into the original capital and profit—the increment of capital . . . although practice itself immediately lumps this gain together with capital and sets it in motion with it’ (F. Engels, *Umrisse zu einer Kritik der Nationalökonomie*, in *Deutsch-Französische Jahrbücher*, edited by Arnold Ruge and Karl Marx, Paris, 1844, p. 99)

↑ Footnote 5 quotes Engels that “practice itself” lumps original capital and profit together and renews the motion. ↓ The renewal of the process does not require additional initiative or intervention. It is automatic.

The final result of every single cycle of purchasing for the purpose of consequent sale constitutes therefore, by itself, the starting-point of a new cycle.

↓ The last two sentences of this paragraph take another shot at the transition from the motives of the individuals to the general social content of their activity.

The simple circulation of commodities—selling in order to buy—is a means to a final goal which lies outside circulation, namely the appropriation of use-values, the satisfaction of needs. As against this, the circulation of money as capital is an end in itself, for the valorization of value takes place only within this constantly renewed movement. The movement of capital is therefore insatiable.⁶

Fowkes’s “limitless” is not a good translation for “maßlos.”

Moore-Aveling’s “has no limits” is a little better.

↑ The last sentence echoes the first sentence of this paragraph, but now with the word insatiable (*maßlos*) instead of endless. And instead of having no purpose at all, as in 250:4/oo, it now has itself as purpose. ↓ Footnote 6 documents that Aristotle had said exactly the same thing:

zuwachsenden Mehrwert von 10 Pfd.St., aber dieser Unterschied zerfließt sofort wieder. Es kommt am Ende des Prozesses nicht auf der einen Seite der Originalwert von 100 Pfd.St. und auf der andren Seite der Mehrwert von 10 Pfd.St. heraus. Was herauskommt, ist ein Wert von 110 Pfd.St., der sich ganz in derselben entsprechenden Form befindet, um den Verwertungsprozeß zu beginnen, wie die ursprünglichen 100 Pfd.St. Geld kommt am Ende der Bewegung wieder als ihr Anfang heraus.⁵

⁵ „Das Kapital teilt sich . . . in das ursprüngliche Kapital und den Gewinn, den Zuwachs des Kapitals . . . obwohl die Praxis selbst diesen Gewinn sogleich wieder zum Kapital schlägt und mit diesem in Fluß setzt.“ F. Engels, „Umrisse zu einer Kritik der Nationalökonomie“, in „Deutsch-Französische Jahrbücher“, herausgegeben von Arnold Ruge und Karl Marx, Paris 1844, p. 99.

Das Ende jedes einzelnen Kreislaufs, worin sich der Kauf für den Verkauf vollzieht, bildet daher von selbst den Anfang eines neuen Kreislaufs.

Die einfache Warenzirkulation—der Verkauf für den Kauf—dient zum Mittel für einen außerhalb der Zirkulation liegenden Endzweck, die Aneignung von Gebrauchs-werten, die Befriedigung von Bedürfnissen. Die Zirkulation des Geldes als Kapital ist dagegen Selbstzweck, denn die Verwertung des Werts existiert nur innerhalb dieser stets erneuerten Bewegung. Die Bewegung des Kapitals ist daher maßlos.⁶

4.2. [The Definition of Capital]

⁶ Aristotle contrasts economics with ‘chrematistics’. He starts with economics. So far as it is the art of acquisition, it is limited to procuring the articles necessary to existence and useful either to a household or the state. ‘True wealth (ὁ ἀλθεῖνδες πλοῦτος) consists of such use-values; for the amount of property which is needed for a good life is not unlimited ... There is, however, a second mode of acquiring things, to which we may by preference and with correctness give the name of chrematistics, and in this case there appear to be no limits to riches and property. Trade (“ἡ καπηλική” is literally retail trade, and Aristotle chooses this form because use-values predominate in it) does not in its nature belong to chrematistics, for here the exchange only has reference to what is necessary for (the buyer or the seller) themselves.’ Therefore, as he goes on to show, the original form of trade was barter, but with the extension of the latter there arose the necessity for money. With the discovery of money, barter of necessity developed into καπηλική, into trading in commodities, and this again, in contradiction with its original tendency, grew into chrematistics, the art of making money. Now chrematistics can be distinguished from economics in that ‘for chrematics, circulation is the source of riches (ποιητικὴ χρημάτων ... διὰ χρημάτων μεταβολῆς). And it appears to revolve around money, for money is the beginning and the end of this kind of exchange (τὸ γάρ νόμισμα στοιχεῖον καὶ πέρας τῆς ἀλλαγῆς ἐστίν). Therefore also riches, such as chrematistics strives for, are unlimited. Just as every art which is not a means to an end, but an end in itself, has no limit to its aims, because it seeks constantly to approach nearer and nearer to that end, while those arts which pursue means to an end are not boundless, since the goal itself imposes a limit on them, so with chrematistics there are no bounds to its aims, these aims being absolute wealth. Economics, unlike chrematics, has a limit ... for the object of the former is something different from money, of the latter the augmentation of money ... By confusing these two forms, which overlap each other, some people have been led to look upon the preservation and increase of money *ad infinitum* as the final goal of economics.’ (Aristotle, *De Republica*, edit. Bekker, lib. I, c. 8, 9, passim.)

⁶ Aristoteles stellt der Chrematistik die Ökonomik entgegen. Er geht von der Ökonomik aus. Soweit sie Erwerbskunst, beschränkt sie sich auf die Verschaffung der zum Leben notwendigen und für das Haus oder den Staat nützlichen Güter. „Der wahre Reichtum (ὁ ἀλθεῖνδες πλοῦτος) besteht aus solchen Gebrauchs-werten; denn das zum guten Leben genügende Maß dieser Art von Besitz ist nicht unbegrenzt. Es gibt aber eine zweite Erwerbskunst, die vor-zugsweise und mit Recht Chrematistik heißt, in-folge deren keine Grenze des Reichtums und Be-sitzes zu existieren scheint. Der Warenhandel („ἡ καπηλική“ heißt wörtlich Kramhandel, und Ari-stoteles nimmt diese Form, weil in ihr der Ge-brachswert vorherrscht) gehört von Natur nicht zur Chrematistik, denn hier bezieht sich der Aus-tausch nur auf das für sie selbst (Käufer und Verkäufer) Nötige.“ Daher, entwickelt er weiter, war auch die ursprüngliche Form des Waren-handels der Tauschhandel, aber mit seiner Aus-dehnung entstand notwendig das Geld. Mit der Erfindung des Geldes mußte sich der Tausch-handel notwendig zur καπηλική, zum Warenhan-del entwickeln, und dieser, im Widerspruch zu seiner ursprünglichen Tendenz, bildete sich zur Chrematistik aus, zur Kunst, Geld zu machen. Die Chrematistik nun unterscheidet sich von der Ökonomik dadurch, daß „für sie die Zirkulati-on die Quelle des Reichtums ist (ποιητικὴ χρημάτων ... διὰ χρημάτων μεταβολῆς). Und um das Geld scheint sie sich zu drehen, denn das Geld ist der Anfang und das Ende dieser Art von Austausch (τὸ γάρ νόμισμα στοιχεῖον καὶ πέρας τῆς ἀλλαγῆς ἐστίν). Daher ist auch der Reichtum, wie ihn die Chrematistik anstrebt, un-begrenzt. Wie nämlich jede Kunst, der ihr Ziel nicht als Mittel, sondern als letzter Endzweck gilt, unbegrenzt in ihrem Streben ist, denn sie sucht sich ihm stets mehr zu nähern, während die Künste, die nur Mittel zum Zwecke verfolgen, nicht unbegrenzt sind, da der Zweck selbst ihnen die Grenze setzt, so gibt es auch für diese Chrematistik keine Schranke ihres Ziels, sondern ihr Ziel ist absolute Bereicherung. Die Ökonomik, nicht die Chrematistik, hat eine Grenze ... die erste bezweckt ein vom Gelde selbst Verschiedenes, die andere seine Vermehrung ... Die Ver-wechslung beider Formen, die ineinander über-spielen, veranlaßt einige, die Erhaltung und Ver-mehrung des Geldes ins Unendliche als Endziel der Ökonomik zu betrachten.“ (Aristoteles, „De

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| Rep.“, edit. Bekker, lib. I, c. 8 und 9 passim.)

This is still not a full formulation of the social forces underlying $M - C - M'$. In his earlier attempt in 250:4/oo Marx had come to the conclusion that it has *no* social purpose at all—but this was before looking at the quantitative differences. With the quantitative differences taken into consideration, the result is that it has *itself* as purpose. In $M - C - M'$, the social relation of value has come into motion, as Marx says in 255:1, it is the valorization of value, value grows, it turns itself into more value. On the other hand, due to the backflow of money in $M - C - M'$, the individuals who are engaged in $M - C - M'$ remain engaged in it. These are the capitalists. They are motivated to pursue $M - C - M'$, because the curse of money has them under its spell. As the combination of a social tendency with individual greed, capital is a strong force. Marx therefore takes a look at the capitalists, and will only afterwards say more about the social forces for which the capitalists are the instruments.

4.3. [The Capitalist]

(c) Because of the backflow (reflux) discussed above, it is easy for someone who is engaged in $M - C - M$ today to do it again tomorrow. This social form therefore does not define a fleeting character mask like being buyer or seller, see 178:1/o. Everyone in society is sometimes buyer and sometimes seller, but the role of performing $M - C - M$ is permanently attached to the same persons, the *capitalists*. Marx says this also very clearly in chapter Twenty-Three, p. 711:3/o.

254:1 As the conscious carrier of this movement, the money owner becomes a capitalist. His person, or rather his pocket, is the point from which the money starts, and to which it returns. The objective content of the circulation we have been discussing—the valorization of value—is his subjective purpose, and it is only in so far as the appropriation of ever more wealth in the abstract is the sole driving force behind his operations that he functions as a capitalist, i.e., as a capital personified and endowed with consciousness and a will. Use-values must therefore never be treated as the immediate aim of the capitalist;⁷ nor must the profit on any single transaction. His aim is rather the unceasing movement of profit-making.⁸

167:1/o Als bewußter Träger dieser Bewegung wird der Geldbesitzer Kapitalist. Seine Person, oder vielmehr seine Tasche, ist der Ausgangspunkt und der Rückkehrpunkt des Geldes. Der objektive Inhalt jener Zirkulation—die Verwertung des Werts—is sein subjektiver Zweck, und nur so weit wachsende Aneignung des abstrakten Reichtums das allein treibende Motiv seiner Operationen, funktioniert er als Kapitalist oder personifiziertes, mit Willen und Bewußtsein begabtes Kapital. Der Gebrauchs-wert ist also nie als unmittelbarer Zweck des Kapitalisten zu behandeln.⁷ Auch nicht der einzelne Gewinn, sondern nur die rastlose Bewegung des Gewinnens.⁸

The formulation “*only in so far* as the appropriation of ever more wealth in the abstract is the *sole* driving force” indicates that the economic category “capitalist” does not capture the full depth of individual agency. And in the Preface to *Capital I*, 92:1, Marx concedes that it is a limited view of the *individuals* to define them only by their economic roles.

In order to gain a correct perspective on this brief introduction of the capitalist note also that Marx characterizes here only what *makes* a capitalist (and capitalists were frugal only in the early times); *being* a capitalist implies more, just as the function of measure of value *makes* money what it is, but once this function has been attached to a specific use-value, many additional functions accrue to it. In money, it was the coalescence, by social custom,

of a value form with a specific use-value which generated these new determinations; in the case of a capitalist it is the coming together of individual willful activity, driven by the “curse of money,” with a social determination. ↓ The following comparison between capitalist and miser indicates that the capitalist is driven by the “curse of money.”

This boundless drive for enrichment, this passionate chase after value,⁹ is common to the capitalist and the miser; but while the miser is merely a clumsy capitalist, the capitalist is the rational miser.

According to footnote 9, the classical economists knew that the capitalists, like misers, were driven by money, not by use-values. But the economists quickly forgot this again when confronted with the consequences of this drive (overproduction):

⁹ ‘The inextinguishable passion for gain, the “accursed hunger for gold,” will always lead capitalists.’ (MacCulloch, *The Principles of Polit. Econ.*, London 1830, p. 179.) This insight does not, of course, prevent the same MacCulloch and his associates, when they are in theoretical difficulties, as for instance in the treatment of over-production, from transforming the same capitalist into a good citizen whose sole concern is for use-values, and who even develops an insatiable hunger for boots, hats, eggs, calico, and other such mundane every-day use-values.

The ceaseless augmentation of value, which the miser seeks to attain by saving his money from circulation,¹⁰ is achieved by the more cunning capitalist by means of throwing his money again and again into circulation.^{10a}

In the comparison capitalist—miser, Marx used the word “to save” in two meanings. Although Marx wrote in German, he was aware of this English pun. He mentions it in footnote 10.

¹⁰ “Σώζειν” is a characteristic Greek expression for hoarding. So in English the word “TO SAVE” means both “to rescue” and “to save money.”

Footnote 10a gives an interesting philosophical commentary:

^{10a} ‘Things possess an infinite quality when moving in a circle which they lack when advancing in a straight line’ [Gal03, p. 156]

The social function of the capitalist is described in *Capital*, 738:2–741:1.

As to what being a capitalist implies see the following quote from *Capital II*, chapter Two, p. 149:1: “(T)he purpose of the whole process, enrichment (the production of surplus-value) does not by any means exclude increasing consumption on the part of the capitalist as his surplus-value (and hence his capital) increases; on the contrary, it emphatically includes it.”

Later, in 739:1, Marx points out another difference between capitalist and miser: the

Dieser absolute Bereicherungstrieb, diese leidenschaftliche Jagd auf den Wert⁹ ist dem Kapitalisten mit dem Schatzbildner gemein, aber während der Schatzbildner nur der verrückte Kapitalist, ist der Kapitalist der rationale Schatzbildner.

⁹ „Die unauslöschliche Leidenschaft für den Gewinn, die auri sacra fames bestimmt stets den Kapitalisten.“ (MacCulloch, „The Principles of Polit. Econ.“, London 1830, p. 179.) Diese Einsicht verhindert denselben MacCulloch und Konsorten natürlich nicht, in theoretischen Verlegenheiten, z.B. bei Behandlung der Überproduktion, denselben Kapitalisten in einen guten Bürger zu verwandeln, dem es sich nur um den Gebrauchs-wert handelt und der sogar einen wahren Werwolfsheißhunger entwickelt für Stiefel, Hüte, Eier, Kattune und andere höchst familiäre Sorten von Gebrauchswert.

Die rastlose Vermehrung des Werts, die der Schatzbildner anstrebt, indem er das Geld vor der Zirkulation zu retten sucht,¹⁰ erreicht der klügere Kapitalist, indem er es stets von neuem der Zirkulation preisgibt.^{10a}

¹⁰ „Σώζειν“ ist einer der charakteristischen Ausdrücke der Griechen für das Schatzbilden. Ebenso bedeutet „to save“ zugleich retten und sparen.

^{10a} „Das Unendliche, das die Dinge im Fortschreiten nicht haben, haben sie im Kreislauf.“ [Gal03, p. 156]

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capitalist represents a social force, while in the miser the curse of money shows itself as an individual mania.

Question 515 (*Fri Oct 22–Mon Oct 25*) *Marx is very critical of the “miser” and then he says the capitalist is the “rational” miser. I.e., some, but not all of the criticism of the miser also applies to the capitalist. What does Marx criticize the miser for; and which part of this criticism also applies to the capitalist?* [2009fa](#), [2002fa](#), [2000fa](#).

Marx compares here the capitalist with the miser. With the miser it is obvious that he is a victim who got stuck in the contradiction between real wealth and its social representation in money. With the capitalist this is less obvious, since he is more successful than the miser. But for instance in *Results*, 988:1/oo, Marx emphasizes how much the capitalist is impoverished and enslaved by the social relation that seems to serve him so well:

The self-valorization of capital—the creation of surplus-value—is therefore the determining, dominating, and overarching purpose of the capitalist; it is the absolute motive and content of his activity. And in fact it is no more than the rationalized motive and aim of the miser—a highly impoverished and abstract content which makes the capitalist appear, from a different side, just as enslaved by the relations of capitalism, even if it is from the other side, on the opposite pole, as the worker.

Die Selbstverwertung des Kapitals—die Schöpfung von Mehrwert—is also der bestimmende, beherrschende und übergreifende Zweck des Kapitalisten, der absolute Trieb und Inhalt seines Tuns, der in der Tat nur der rationalisierte Trieb und Zweck des Schatzbildners,—ein durchaus armeliger und abstrakter Inhalt, der den Kapitalisten von der andern Seite ganz ebenso sehr unter der Knechtschaft des Kapitalverhältnisses erscheinen lässt, wenn auch von anderer Seite her, auf dem entgegengesetzten Pol, als den Arbeiter.

The difference between capitalist and laborer is described here as follows:

What we are confronted by here is the *process of alienation* of his own labor. The worker stands on a higher plane than the capitalist from the outset, to the extent that the latter has his roots in the process of alienation and finds his absolute satisfaction in it, whereas right from the start the worker is a victim who confronts it as a rebel and experiences it as a process of enslavement.

Es ist der *Entfremdungsprozeß* seiner eigenen Arbeit. Insofern steht hier der Arbeiter von vorne herein höher als der Kapitalist, als der letztere in jenem Entfremdungsprozeß wurzelt und in ihm seine absolute Befriedigung findet, während der Arbeiter als sein Opfer von vorn herein dagegen in einem rebellischen Verhältnis steht und ihn als Knechtungsprozeß empfindet.

Objectively, capitalists are just as enslaved as the workers by the impoverished and abstract drive of self-valorization of capital. What distinguishes the workers and raises them to a higher level is that they experience their objective enslavement as enslavement, while the capitalists find subjective satisfaction in it.

Question 516 (*Fri Oct 22–Mon Oct 25*) *Can a situation which gives you subjective satisfaction be a situation of “enslavement”? Are there other examples for this than the capitalist?* [2008SP](#), [2003fa](#), [1999SP](#).

Marx never points out explicitly that the combination of individual motivation with social forces makes the capitalist drive to self-expansion of value especially irresistible. But this combination is implicit in many things Marx writes, for instance in [258:2/o](#).

4.4. [Capital as Self-Expanding Value]

Question 517 (*Fri Oct 22–Mon Oct 25*) *Can one say that the capitalists are addicted to making money?* [2009fa](#), [2008fa](#), [2008SP](#), [2007SP](#).

4.4. [Capital as Self-Expanding Value]

Animated with the will of the capitalist, $M - C - M'$ becomes a powerful process in which value, as subject, expands itself. These are the relations of production of which the capitalists are only the unconscious executors. The remainder of chapter Four is devoted to their description:

4.4.a. [Capital as Value in Motion]

↓ In $C - M - C$, the value of the first C obtains independent form in M , but it stays in this form only for an instant, and after completion of the circulation, the value is forgotten, i.e., the second commodity no longer counts as value but only as use-value for its owner.

255:1 The independent form, i.e., the monetary form, taken by the value of commodities in simple circulation, merely mediates the exchange of commodities, and vanishes again in the final result of the movement.

↓ In $M - C - M$, by contrast, the value is never forgotten. The entire movement is a movement of the value through its different modes of existence:

In the circulation $M - C - M$, however, both money and commodity function as only two different modes of existence of value itself—the money as its general and the commodity as its particular or, so to speak, disguised mode of existence.¹¹

↓ Say formulated this succinctly:

¹¹ ‘It is not the material which forms capital, but the value of that material’ (J. B. Say, *Traité d’Économie Politique*, 3rd edn, Paris, 1817, Vol. 2, p. 429).

↓ In its movement through these phases, capital maintains its identity:
It is continually changing from one form into the other, without losing itself in this movement; it thus transforms itself into an automatic subject.

↑ What is remarkable about capital is not that it undergoes changes. Everything in the world changes. What is peculiar about capital is that it maintains its identity through these changes. If an elementary particle decays, it no longer exists but something else took its place. If capital changes from the money form to the commodity form, it still consists of the same value. This value changed its form but maintains its identity through these changes. The form change of value between commodity and money can be seen in analogy to the biological metabolism every living organism must go through. (And maintaining identity with

168:1/o Die selbständigen Formen, die Geldformen, welche der Wert der Waren in der einfachen Zirkulation annimmt, vermitteln nur den Warenaustausch und verschwinden im Endresultat der Bewegung.

In der Zirkulation $G - W - G$ funktionieren dagegen beide, Ware und Geld, nur als verschiedene Existenzweisen des Werts selbst, das Geld seine allgemeine, die Ware seine besondere, sozusagen nur verkleidete Existenzweise.¹¹

¹¹ „Nicht der Stoff bildet das Kapital, sondern der Wert dieser Stoffe.“ (J. B. Say, „Traité d’Écon. Polit.“, 3ème éd., Paris 1817, t. II, p. 429.)

Er geht beständig aus der einen Form in die andre über, ohne sich in dieser Bewegung zu verlieren, und verwandelt sich so in ein automatisches Subjekt.

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oneself is a nontrivial issue for biological organisms, as the many auto-immunity disorders show.)

Since capital maintains its identity through the process it is going through, Marx calls it a subject. The movement of capital becomes the action of that which persists through this movement. See [Pos96, p. 269] and also [Alb95]. However it is not a deliberate, conscious, but an automatic action. In the next sentence, Marx talks about the “life” of capital. This is an appropriate metaphor, as long as one keeps in mind that it is not a conscious life but has a “circular” course.

Question 519 (*Fri Oct 22–Mon Oct 25*) *In Notes about Wagner, [mecw24]534:1, Marx says: “Mr. Wagner forgets that neither value nor exchange-value are the subjects of my book, but the commodity is.” Is this in contradiction to his statement in chapter Four of Capital that value “transforms itself into an automatic subject”?*

Question 520 (*Fri Oct 22–Mon Oct 25*) *Lipietz [Lip83, p. 29] writes: Value and value-in-process are two separate phenomena. The first is essentially social and synchronic; it is an instantaneous ‘map’ of the social division of labor in the form of quantitative relations between products. The other is individual and diachronic: we talk about ‘a’ value which is preserved through time, or which grows, is wasted, and so on.” Comment.*

Question 521 (*Fri Oct 22–Mon Oct 25*) *What does Marx mean by an “automatic subject”? 2008fa, 2007SP, 2005fa, 2002fa, 1999SP, 1998WI.*

If one fixes the specific forms of appearance assumed in turn by self-valorizing value in the circular course of its life, one arrives at the explanations: capital is money, capital is commodities.¹²

¹² ‘Currency (!) employed in producing articles ... is capital’ (Macleod, *The Theory and Practice of Banking*, London, 1855, Vol. I, Ch. 1, p. 55). ‘Capital is commodities’ (James Mill, *Elements of Political Economy*, London, 1821, p. 74).

Macleod’s *The Theory and Practice of Banking* is critiqued much more thoroughly in footnote * to 375:1/o in *Contribution*. This theory-critical remark serves only as a point of entry for Marx’s own description of the process as a whole:

In truth, however, value is here the subject of a process in which, while constantly alternating between the forms of money and commodities, it changes its own magnitude, repels itself as surplus-value from itself as original value, and thus valorizes itself. The movement in the course of which it adds surplus-value is its own movement, its valorization is therefore self-valorization. It has acquired the occult ability to add value to itself, by virtue of being value. It brings

Fixiert man die besondren Erscheinungsformen, welche der sich verwertende Wert im Kreislauf seines Lebens abwechselnd annimmt, so erhält man die Erklärungen: Kapital ist Geld, Kapital ist Ware.¹²

¹² „Das Zirkulationsmittel (!), das zu produktiven Zwecken verwendet wird, ist Kapital.“ (Macleod, „The Theory and Practice of Banking“, London 1855, v. I, c. 1, p. 55.) „Kapital ist gleich Waren.“ (James Mill, „Elements of Pol. Econ.“, Lond. 1821, p. 74.)

In der Tat aber wird der Wert hier das Subjekt eines Prozesses, worin er unter dem beständigen Wechsel der Formen von Geld und Ware seine Größe selbst verändert, sich als Mehrwert von sich selbst als ursprünglichem Wert abstößt, sich selbst verwertet. Denn die Bewegung, worin er Mehrwert zusetzt, ist seine eigene Bewegung, seine Verwertung also Selbstverwertung. Er hat die okkulte Qualität erhalten, Wert zu setzen, weil er Wert ist. Er wirft lebendige Junge

4.4. [Capital as Self-Expanding Value]

forth living offspring, or at least lays golden eggs.

oder legt wenigstens goldne Eier.

Capital is not money or commodity but *value* as subject. Valorization is its own movement, not something which is done with it.

Question 522 (*Fri Oct 22–Mon Oct 25*) Which goose is more miraculous to Marx: the one which lays golden eggs, or the one which brings forth living offspring? Which goose should capital be compared with? [2002fa](#), [2001fa](#), [1998WI](#), [1997WI](#), [1995ut](#).

This concludes the description of the development of capital out of money, so to say, of the birth of capital. The next paragraph describes the relationship of capital with its logical parent, money:

4.4.b. [Money: Point of Reference in the Movement of Capital]

255:2/o As the overarching subject of such a process, in which it alternately assumes and discards the forms of money and commodities, but preserves and expands itself through all these changes, value is above all in need of an independent form by means of which its identity with itself is asserted. Only in the shape of money does it possess this form. Money is therefore the starting point and the conclusion of every valorization process. It was £100, and now it is £110, etc.

169:1 Als das übergreifende Subjekt eines solchen Prozesses, worin er Geldform und Warenform bald annimmt, bald abstreift, sich aber in diesem Wechsel erhält und ausreckt, bedarf der Wert vor allem einer selbständigen Form, worin seine Identität mit sich selbst konstatiert wird. Und diese Form besitzt er nur im Gelde. Dies bildet daher Ausgangspunkt und Schlußpunkt jedes Verwertungsprozesses. Er war 100 Pfd.St., er ist jetzt 110 Pfd.St. usw.

Übergreifendes Subject translated by Moore/Aveling with “active factor” (i.e., only the word “subject” is translated, the

attribute “übergreifend” is left to the context). Fowkes translates it with “dominant subject.” This is not quite precise; “übergreifend”

means: common to all the particular forms.

In order to define a metabolism, a fixed point is necessary, which defines the identity in this turnover of materials. (This is one of the many examples that everything contains its opposite: metabolism, i.e., *change* of materials, cannot be conceived without the identity of the changing subject!) This fixed point is money. Here we have the explanation of the fact which had been the starting point of chapter Four. Money is the “first” form of capital because it is the form which represents the unity of the process.

But the money itself counts here only as one of the two forms of value. Unless it takes the form of some commodity, money does not become capital. Money does not polemicize here against commodities, as in hoarding. The capitalist knows that all commodities, however tattered their looks, or however foul their smell, are by faith and in truth money, are deep inside circumcised Jews, and in addition are miraculous means for

Aber das Geld selbst gilt hier nur als eine Form des Werts, denn er hat deren zwei. Ohne die Annahme der Warenform wird das Geld nicht Kapital. Das Geld tritt hier also nicht polemisch gegen die Ware auf, wie in der Schatzbildung. Der Kapitalist weiß, daß alle Waren, wie lumpig sie immer aussehen oder wie schlecht sie immer riechen, im Glauben und in der Wahrheit Geld, innerlich beschrittne Juden sind und zudem wun-

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making more money out of money.

dertätige Mittel, um aus Geld mehr Geld zu machen.

Question 524 (*Fri Oct 22–Mon Oct 25*) Explain the following aphorism about money as capital: “Money does not polemicize here against commodities, as in hoarding.” *255:2/o 2004fa, 1995ut, 1995WI*.

The foul smell of the commodities is an allusion to the proverb that money does not smell, which Marx uses in *205:1*.

“Miraculous means”: the capitalist often does not know why the process he is going through results in more money.

4.4.c. [Capital as Self-Referencing Value]

With money as point of reference and comparison, self-expanding value is no longer only a relation between commodities, but enters a relation to itself.

The self-activity of capital goes even further. Capital is not only an automatic subject; it is a subject which has a relation to itself (value for itself). Value no longer relates commodities, and in the final analysis commodity producers, to each other, but enters a relation to itself.

256:1 In simple circulation, the highest achievement of the value of the commodities was to attain a form independent of their use-values, namely, the form of money. By contrast, in the circulation $M - C - M$, value suddenly presents itself as a self-moving substance, which passes through a process of its own, and for which commodities and money are both mere forms. Even more: instead of simply representing the relations of commodities, value now enters into a private relationship with itself, as it were.

169:2/o Wenn in der einfachen Zirkulation der Wert der Waren ihrem Gebrauchs-wert gegenüber höchstens die selbständige Form des Geldes erhält, so stellt er sich hier plötzlich dar als eine prozessierende, sich selbst bewegende Substanz, für welche Ware und Geld beide bloße Formen. Aber noch mehr. Statt Warenverhältnisse darzustellen, tritt er jetzt sozusagen in eine Privatverhältnis zu sich selbst.

↓ Marx describes capital’s private relationship with itself in Hegelian terms: the difference between originally advanced capital and surplus-value disappears as soon as it arises, but capital is what it is, namely capital, only due to this difference.

It differentiates itself as original value from itself as surplus-value, just as God the Father differentiates himself from himself as God the Son, although both are of the same age and form, in fact one single person; for only by the surplus-value of £10 does the £100 originally advanced become capital, and as soon as this has happened, as soon as the son has been created and, through the son, the father, their difference vanishes again, and both become one, £110.

Er unterscheidet sich als ursprünglicher Wert von sich als Mehrwert, als Gott Vater von sich selbst als Gott Sohn, und beide sind vom selben Alter und bilden in der Tat nur eine Person, denn nur durch den Mehrwert von 10 Pfd.St. werden die vorgeschen-senen 100 Pfd.St. Kapital, und sobald sie dies geworden, sobald der Sohn und durch den Sohn der Vater erzeugt, verschwindet ihr Unterschied wieder und sind beide Eins, 110 Pfd.St.

Question 525 (*Fri Oct 22–Mon Oct 25*) Why does Marx say that the surplus-value has the same age than the capital from which it springs?

4.4. [Capital as Self-Expanding Value]

This self-referencing aspect of the profit criterion gives stability to capital accumulation. Capital stays its course and pulls the other spheres of society along. There are no similar mechanisms monitoring whether a democracy is democratic enough, etc.

↓ Marx summarizes the above dialectical relationship between capital and surplus-value with the words that capital is “value in process,” and Marx shows that a similar dialectical relationship holds between capital in money form outside circulation, and capital thrown into circulation:

256:2 Value therefore now becomes value in process, money in process and, as such, capital. It comes out of circulation, enters into it again, preserves and multiplies itself within circulation, emerges from it with an increased size, and starts the same cycle again and again.¹³

↑ All money originates in circulation. If it is capital, it re-enters circulation in order to re-emerge from it with increased quantity, and keeps repeating this process. The chapter began with the one-sentence paragraph that the circulation of commodities is the point of departure for capital. The sentence which we just read says what capital does after this point of departure.

$M - M'$, ‘money which begets money’, such is the description of capital given by its first interpreters, the mercantilists.

170:1 Der Wert wird also prozessierender Wert, prozessierendes Geld und als solches Kapital. Er kommt aus der Zirkulation her, geht wieder in sie ein, erhält und vervielfältigt sich in ihr, kehrt vergrößert aus ihr zurück und beginnt denselben Kreislauf stets wieder von neuem.¹³

↑ The word “interpreter” (in German “*Dolmetscher*”) does not mean someone who gives an interpretation, but someone who translates from one language into another, here, from the commodity language into the human language.

¹³ ‘Capital … permanent self-multiplying value’ (Sismondi, *Nouveaux principes d'économie politique*, Vol. 1, p. 89)

$G - G'$, geldheckendes Geld—money which begets money—lautet die Beschreibung des Kapitals im Munde seiner ersten Dolmetscher, der Merkantilisten.

¹³ „Kapital … permanenter sich vervielfältigender Wert.“ (Sismondi, „Nouveaux Principes d'Écon. Polit.“, t. 1, p. 89.)

The mercantilist phrase “money which begets money” is testimony that the mercantilists have understood something about capital, despite their confusion of value with its independent form.

Question 526 (Fri Oct 22–Mon Oct 25) What is mercantilism? In which way are mercantilists similar to misers? [2009fa](#), [2008fa](#), [2007SP](#), [2004fa](#).

4.4.d. [M–C–M' and Other Forms of Capital]

The last two paragraphs of the chapter lead from this most general definition of capital back to $M - C - M'$. $M - C - M'$ is not only the form of merchant capital; it is the *general* form of capital as long as we look at it only in *circulation*:

256:3/o It may seem that buying in order to sell (or, to give a more complete description, buying in order to sell dearer, $M - C - M'$), is the form peculiar to only one kind of capital, namely, merchant capital. But also industrial capital is money which has been changed into commodities, and recon-

170:2 Kaufen, um zu verkaufen, oder vollständiger, kaufen, um teurer zu verkaufen, $G - W - G'$, scheint zwar nur einer Art des Kapitals, dem Kaufmannskapital, eigentümliche Form. Aber auch das industrielle Kapital ist Geld, das sich in Ware verwandelt und durch den Verkauf der Ware in

4. General Formula of Capital

verted into more money by the sale of these commodities. Events which take place outside the sphere of circulation, in the interval between buying and selling, do not affect the form of this movement. Lastly, in the case of interest-bearing capital, the circulation $M - C - M'$ presents itself in abridged form, in its final result and without any intermediate stage, in a concise style, so to speak, as $M - M'$, i.e., money which is worth more money, value which is greater than itself.

mehr Geld rückverwandelt. Akte, die etwa zwischen dem Kauf und dem Verkaufe, außerhalb der Zirkulationsphäre, vorgehn, ändern nichts an dieser Form der Bewegung. In dem zinstragenden Kapital endlich stellt sich die Zirkulation $G - W - G'$ abgekürzt dar, in ihrem Resultat ohne die Vermittlung, sozusagen im Lapidarstil, als $G - G'$, Geld, das gleich mehr Geld, Wert, der größer als er selbst ist.

Question 527 (*Fri Oct 22–Mon Oct 25*) *What is merchants' capital? industrial capital? interest-bearing capital? What is the difference between a merchant an a mercantilist?* [1999SP](#), [1998WI](#).

The formula $M - C - M'$ is therefore not just the form of circulation of merchant capital but the *general* formula of capital, as the title of the chapter says.

[257:1](#) $M - C - M'$ is therefore in fact the general formula of capital, as it immediately appears in the sphere of circulation.

[170:3](#) In der Tat also ist $G - W - G'$ die allgemeine Formel des Kapitals, wie es unmittelbar in der Zirkulationsphäre erscheint.

↑ This is the “immediate” appearance of capital in circulation because it does not show the mediations which make this circuit possible. In the next chapter Marx will show that capital can only beget surplus-value if it does not stay in circulation but spends part of its life outside circulation.

5. Contradictions of the General Formula

According to Chapter Four, capital has the purpose to turn value into more value. But we do not yet know *how* capital does this. Chapter Four began with the general empirical observation that many people in capitalism successfully perform $M - C - M'$, and inferred the motivations of the agents and the underlying social content of this movement. It was an almost hypothetical argument of the kind: we see that $M - C - M'$ is happening, and assuming that we can trust our eyes and this is what is indeed happening, what are the purposes of the agents and their social roles in doing this? To use a term from Critical Realism, it was a big second-order conclusion. Chapter Five continues on this hypothetical level, but this time with a conflicting result. Namely, chapter Five shows that $M - C - M'$ seems *impossible*—unless certain conditions are satisfied which one would never expect to hold because they are so contradictory. The resolution will be given in chapter Six, which shows how these contradictory conditions can be satisfied, and that they are indeed satisfied under contemporary capitalism.

258:1 The form of circulation in which capital emerges from its monetary pupa contradicts all the previously developed laws bearing on the nature of commodities, value, money and of circulation itself.

170:4 Die Zirkulationsform, worin sich das Geld zum Kapital entpuppt, widerspricht allen früher entwickelten Gesetzen über die Natur der Ware, des Werts, des Geldes und der Zirkulation selbst.

The Moore-Aveling formulation “is opposed to all the laws” is misleading: one might think it

means that a capitalist must cheat or otherwise break the laws of circulation. Fowkes has

“contradicts” which is better since it has more the connotation of an internal contradiction.

Question 528 (Tue Oct 26–Thu Oct 28) In what respects does $M - C - M$ “contradict all the previously developed laws bearing on the nature of commodities, value, money, and of circulation itself”? 2008fa, 2007SP.

The only thing that distinguishes this form from the simple circulation of commodities is the inverted order in which the same two opposite processes, sale and purchase, take place. How should such a purely formal difference be able to magically change the nature of these processes?

Was sie von der einfachen Warenzirkulation unterscheidet, ist die umgekehrte Reihenfolge derselben zwei entgegengesetzten Prozesse, Verkauf und Kauf. Und wie sollte solcher rein formelle Unterschied die Natur dieser Prozesse umzaubern?

It is ok to translate the first “*unterscheidet*” with “distinguishes,” but “*Unterschied*” is, in the above translation, not translated with “distinction” but with “difference.” Here is why. “Distinguishes” means: this is a

difference which allows us to tell them apart, i.e., distinguish them. But the noun “distinction” is the act of distinguishing, maybe the German counterpart would be “*Unterscheidung*.” The German “*Unterschied*,” on the other hand,

is not the distinction made by the observer but a difference in the object. The translation of “*Unterschied*” with “distinction” commits the epistemic fallacy.

5. Contradictions of $M-C-M$

This chapter gives a critical reassessment of the results of the preceding chapter. Marx throws doubt on his earlier findings with two questions.

1. ↑ How can it be that a simple change in *form*, a merely inverted order of two actions, can make such a *radical* difference in the nature of the process?
2. ↓ Moreover, this change seems to be only subjective, it exists only for the capitalist. His business partners cannot tell whether he does $M-C-M$ or $C-M-C$:

258:2/o But that is not all. This inversion has no existence for two of the three persons transacting business with each other.

Only the capitalist K knows that he first buys from A and then sells to B . Neither A nor B know and care. To show this, Marx argues: if the capitalist K were to switch from $M-C-M$ to $C-M-C$, i.e., if K were to first sell to B and then buy from A , neither A nor B would see a difference.

As a capitalist, I buy commodities from A and sell them again to B , but as a simple owner of commodities I sell commodities to B and then purchase further commodities from A . For A and B this difference does not exist. They step forth only as buyers or sellers of commodities. I myself confront them each time as a mere owner of either money or commodities, as a buyer or a seller. Whether I do $M-C-M$ or $C-M-C$, I confront A only as a buyer and B only as a seller, I confront the one only as money, the other only as commodities, but neither of them as capital or a capitalist or a representative of anything more than money or commodities, or of anything which might produce any effect beyond that produced by money or commodities.

↑ Neither A nor B know that the capitalist K is trying to act as a capitalist instead of a simple commodity owner, and therefore K will get no different treatment from them than any other commodity owner. ↓ Finally, the connection between purchase and subsequent sale exists only for the capitalist, not for anybody else:

For me the purchase from A and the sale to B are part of a sequence. But the connection between these two acts exists only for me. A does not trouble himself about my transaction with B , nor does B about my business with A .

↑ In other words, the inversion from $C-M-C$ to $M-C-M$ does not remove the capitalist from simple circulation. The capitalist doing $M-C-M$ cannot expect to be treated differently than the simple commodity producer doing $C-M-C$. ↓ This is all Marx wants to show now, but he cannot resist giving a comical ending to his counterfactual story. He imagines now that K implores A and B to please treat him as a capitalist! Instead of giving respect and recognition, A and B first pretend not to understand what K is talking about, and

170:5/o Noch mehr. Diese Umkehrung existiert nur für einen der drei Geschäftsfreunde, die miteinander handeln.

Als Kapitalist kaufe ich Ware von A und verkaufe sie wieder an B , während ich als einfacher Warenbesitzer Ware an B verkaufe und dann Ware von A kaufe. Für die Geschäftsfreunde A und B existiert dieser Unterschied nicht. Sie treten nur als Käufer oder Verkäufer von Waren auf. Ich selbst stehe ihnen jedesmal gegenüber als einfacher Geldbesitzer oder Warenbesitzer, Käufer oder Verkäufer, und zwar trete ich in beiden Reihenfolgen der einen Person nur als Käufer und der andren nur als Verkäufer gegenüber, der einen als nur Geld, der andren als nur Ware, keiner von beiden als Kapital oder Kapitalist oder Repräsentant von irgend etwas, das mehr als Geld oder Ware wäre oder eine andre Wirkung außer der des Geldes oder der Ware ausüben könnte.

Für mich bilden Kauf von A und Verkauf an B eine Reihenfolge. Aber der Zusammenhang zwischen diesen beiden Akten existiert nur für mich. A schert sich nicht um meine Transaktion mit B , und B nicht um meine Transaktion mit A .

after *K* insists, they unceremoniously kick him off the stage and *A* starts selling directly to *B*.

And if I offered to explain to them the meritorious nature of my inversion of the order of sale and purchase, they would probably point out to me that I was mistaken as to that order, and that the whole transaction, instead of beginning with a purchase and ending with a sale, began, on the contrary, with a sale and was concluded with a purchase. In truth, my first act, the purchase, was from the standpoint of *A* a sale, and my second act, the sale, was from the standpoint of *B* a purchase. Not content with that, *A* and *B* would declare that the whole series was superfluous and nothing but hocus-pocus; that for the future *A* would buy direct from *B*, and *B* sell direct to *A*. With this the whole transaction would shrink down to a single, one-sided phase of the ordinary circulation of commodities, a mere sale from *A*'s point of view, and from *B*'s, a mere purchase.

Wollte ich ihnen etwa das besondere Verdienst klarmachen, das ich mir durch die Umkehrung der Reihenfolge erwerbe, so würden sie mir beweisen, daß ich mich in der Reihenfolge selbst irre und daß die Gesamttransaktion nicht mit einem Kauf begann und einem Verkauf endete, sondern umgekehrt mit einem Verkauf begann und mit einem Kauf abschloß. In der Tat, mein erster Akt, der Kauf, war von *A*'s Standpunkt ein Verkauf, und mein zweiter Akt, der Verkauf, war von *B*'s Standpunkt ein Kauf. Nicht zufrieden damit, werden *A* und *B* erklären, daß die ganze Reihenfolge überflüssig und Hokuspokus war. *A* wird die Ware direkt an *B* verkaufen und *B* sie direkt von *A* kaufen. Damit verschumpft die ganze Transaktion in einen einseitigen Akt der gewöhnlichen Warenzirkulation, vom Standpunkt *A*'s bloßer Verkauf und vom Standpunkt *B*'s bloßer Kauf.

↑ In other words, the capitalist's individual interest, his desire to turn money into more money, seems to have little chance of gaining social recognition.

Question 529 (*Tue Oct 26–Thu Oct 28*) Does Marx argue in 258:2/o that capitalist profits are middleman's profits, and if buyer and seller sold directly to each other, there would be no profit? 2008SP, 2007fa, 2004fa, 2003fa, 2000fa, 1998WI.

Question 530 (*Tue Oct 26–Thu Oct 28*) Marx does not really answer the objection that *M–C–M* is only subjective for the capitalist. Can this objection be refuted? 2008fa.

↓ Serious again, Marx takes stock: obviously, the inversion from *C–M–C* to *M–C–M* does not take us outside of simple commodity circulation. Therefore his next question is: is there any way to make profits in simple circulation?

Thus the inversion of the order of succession does not take us outside the sphere of the simple circulation of commodities, and we must rather look to see whether this simple circulation, by its nature, might permit the valorization of the values entering into it and consequently the formation of surplus-value.

Wir sind also durch die Umkehrung der Reihenfolge nicht über die Sphäre der einfachen Warenzirkulation hinausgekommen und müssen vielmehr zusehn, ob sie ihrer Natur nach Verwertung der in sie eingehenden Werte und daher Bildung von Mehrwert gestattet.

↑ Marx's formulation "we must rather look to see" is a variation of the usual announcement "let us look at it more closely" whenever Marx takes a step back in order to question his own argument. Since the formula *M–C–M* does not go beyond circulation, and since there is no obvious way to generate surplus-value in circulation, Marx is going to look systematically at every conceivable possibility of creating surplus-value in the sphere of circulation.

5. Contradictions of M–C–M

5.1. [Creation of Surplus-Value in Circulation]

Marx first asks whether surplus-value can be generated in circulation if equivalents are exchanged, then he looks at the exchange of non-equivalents, then he asks whether individual differences between the exchanger could lead to profits. In all these cases, the answer is “no,” this cannot be the mechanism generating the profits which we see in capitalism.

The first part, that surplus-value cannot spring from circulation alone, is trivial in the paradigm of an objective theory of value. The main difficulty is to explain why so many people think surplus-value *can* be generated in circulation. Marx brings here an immanent critique of the subjective theory of value.

5.1.a. [Exchange of Equivalents]

First step: Can surplus-value be created in circulation if prices are equal to values? In order to avoid the complications brought into this question by money, Marx first looks at a situation in which commodity is exchanged against commodity, and money is used only afterwards in order to settle the balances—and he looks at a situation in which those balances happen to be zero, so that money, physically, does not change hands at all:

259:1/o Let us take the process of circulation in a form in which it looks like a simple barter of commodities. Circulation presents itself in the form of simple barter whenever two owners of commodities buy from each other, and on the date of settlement the amounts they owe to each other balance out equally. Money serves here as money of account, and expresses the values of the commodities in their prices, but does not itself confront the commodities as a thing.

↑ Such a transaction may have many advantages for the trading partners, but is the creation of surplus-value one of these advantages? ↓ Marx looks at the advantages in turn. First advantage: both exchangers may gain in terms of use-value:

In so far as use-values are concerned, it is clear that both parties may gain. Both of them part with commodities which are of no service to them as use-values, and receive others they need to use.

↓ Second advantage: in the presence of exchange, the producers can be more productive than without exchange, since they can specialize on those things in which they are better. Marx uses here Ricardo's famous example with corn (England) and wine (Portugal):

And this may not be the only advantage gained. A, who sells wine and buys corn, possibly produces more wine in the same labor-time than B, the corn farmer, could produce, and B, on the other hand, may produce more corn than A, the wine grower, could produce. A may therefore get more

171:1–172:1 Nehmen wir den Zirkulationsprozeß in einer Form, worin er sich als bloßer Warenaustausch darstellt. Dies ist stets der Fall, wenn beide Warenbesitzer Waren voneinander kaufen und die Bilanz ihrer wechselseitigen Geldforderungen sich am Zahlungstag ausgleicht. Das Geld dient hier als Rechengeld, um die Werte der Waren in ihren Preisen auszudrücken, tritt aber nicht den Waren selbst dinglich gegenüber.

Soweit es sich um den Gebrauchswert handelt, ist es klar, daß beide Austauscher gewinnen können. Beide veräußern Waren, die ihnen als Gebrauchswert nutzlos, und erhalten Waren, deren sie zum Gebrauch bedürfen.

Und dieser Nutzen mag nicht der einzige sein. A, der Wein verkauft und Getreide kauft, produziert vielleicht mehr Wein, als Getreidebauer B in derselben Arbeitszeit produzieren könnte, und Getreidebauer B in derselben Arbeitszeit mehr Getreide, als Weinbauer A produzieren könnte. A erhält

5.1. [Creation of Surplus-Value in Circulation]

corn for the same exchange-value, and *B* more wine, than each would respectively get without any exchange if they had to produce their own corn and wine. With reference to use-value, it can therefore indeed be said that ‘exchange is a transaction by which both sides gain’.¹⁴

¹⁴ ‘Exchange is an admirable transaction by which both sides gain—always (!)’ (Destutt de Tracy, *Traité de la volonté et de ses effets*, Paris, 1826, p. 68). This same book also appeared under the title *Traité d'économie politique*.

↑ Higher productivity means: more use-value is produced in the same time. Each party trades that commodity which they can produce more efficiently, but in terms of labor-time it is still an equal trade. Also this second example illustrates therefore gains in use-value, not gains in value. ↓ Now Marx looks at exchange-value: there is equality, no advantage:

It is otherwise with exchange-value.

‘A man who has plenty of wine and no corn treats with a man who has plenty of corn and no wine; an exchange takes place between them of corn to the value of 50, for wine of the same value. This act produces no increase of exchange-value either for the one or the other; for each of them already possessed, before the exchange, a value equal to that which he acquired by means of that operation.’¹⁵

also für denselben Tauschwert mehr Getreide und *B* mehr Wein, als wenn jeder von den beiden, ohne Austausch, Wein und Getreide für sich selbst produzieren müßte. Mit Bezug auf den Gebrauchswert also kann gesagt werden, daß „der Austausch eine Transaktion ist, worin beide Seiten gewinnen“¹⁴.

¹⁴ „L'échange est une transaction admirable dans laquelle les deux contractants gagnent—toujours (!).“ (Destutt de Tracy, „*Traité de la Volonté et de ses effets*“ Paris 1826, p. 68.) Dasselbe Buch erschien auch als „*Traité d'Éc. Pol.*“

Anders mit dem Tauschwert.

„Ein Mann, der viel Wein und kein Getreide besitzt, handelt mit einem Mann, der viel Getreide und keinen Wein besitzt, und zwischen ihnen wird ausgetauscht Weizen zum Wert von 50 gegen einen Wert von 50 in Wein. Dieser Austausch ist keine Vermehrung des Tauschwerts weder für den einen noch für den andern; denn bereits vor dem Austausch besaß jeder von ihnen einen Wert gleich dem, den er sich vermittelst dieser Operation verschafft hat.“¹⁵

↑ If commodities are exchanged against commodities without money changing hands at the same time, both sides may gain with respect to use-value, but the values are not increased.

↓ The result will be the same if the commodity is sold for money:

260:1 This situation is not altered when money, as a medium of circulation, steps between the commodities, and when sale and the purchase become two physically distinct acts.¹⁶

172:2 Es ändert nichts an der Sache, wenn das Geld als Zirkulationsmittel zwischen die Waren tritt und die Akte des Kaufs und Verkaufs sinnlich auseinanderfallen.¹⁶

↑ Marx defends this claim with an argument of the form: it cannot be otherwise, since money is only an intermediary which only *physically* splits up sale and purchase. This physical presence cannot add anything new.

↓ The next sentence, that value is not determined in circulation but already exists before circulation, is additional corroboration:

The value of a commodity is expressed in its price before it enters into circulation, and is therefore a precondition of circulation, not its result.¹⁷

Der Wert der Waren ist in ihren Preisen dargestellt bevor sie in die Zirkulation treten, also Voraussetzung und nicht Resultat derselben.¹⁷

¹⁷ ‘It is not the parties to a contract who decide on the value; that has been decided before the contract’ (Le Trosne, op. cit., p. 906).

¹⁷ „Über den Wert entscheiden nicht die Vertragspartner; er steht schon vor der Übereinkunft fest.“ (Le Trosne, l.c. p. 906.)

5. Contradictions of $M-C-M$

But this last sentence is also the opening for quite abstract positive argument in which Marx scrutinizes his earlier abstract analysis of $C - M - C$ (from chapter Three) to see if there is an opening for the creation of surplus-value in circulation:

260:2/o If considered in the abstract, i.e. disregarding any circumstances that do not flow from the immanent laws of simple commodity circulation, all that happens in exchange (if we leave aside the replacement of one use-value by another) is a metamorphosis, a mere change in the form of the commodity.

172:3/o Abstrakt betrachtet, d.h. abgesehen von Umständen, die nicht aus den immanenten Gesetzen der einfachen Warenzirkulation hervorfließen, geht außer dem Ersatz eines Gebrauchswerts durch einen anderen nichts in ihr vor als eine Metamorphose, ein bloßer Formwechsel der Ware.

Question 532 (*Tue Oct 26–Thu Oct 28*) How does the abstraction Marx makes in the first sentence of 260:2/o differ from the *ceteris paribus* assumptions of modern economics? 2005fa.

Two things are going on in the circulation process if one disregards all other mechanisms: replacement of one use-value by another, and a form change of the commodity. Marx concentrates now on the latter.

The same value, i.e. the same quantity of objectified social labor, remains throughout in the hands of the same commodity-owner, first in the shape of his own commodity, then in the shape of the money into which the commodity has been transformed, and finally in the shape of the commodity into which this money has been re-converted. This change of form does not imply any change in the magnitude of the value.

↓ The commodity's value goes through a change analogous to the situation where a dollar bill is exchanged for four quarters:

But the change which the value of the commodity undergoes in this process is limited to a change in its money-form. This form exists first as the price of the commodity offered for sale, then as an actual sum of money, which was, however, already expressed in the price, and lastly as the price of an equivalent commodity. This change of form no more implies, taken alone, a change in the quantity of value than does the changing of a £5 note into sovereigns, half-sovereigns and shillings.

If you “make change,” i.e., exchange dollar bills for smaller bills or coins, you don’t think you have different money now. It is the same money in a different form. Now if you *buy* something with your money you of course no longer have the same money, but you still have the same *value*, just in a different form. This form change does not affect the quantity of your value.

Derselbe Wert, d.h. dasselbe Quantum ver gegenständlichter gesellschaftlicher Arbeit, bleibt in der Hand desselben Warenbesitzers in Gestalt erst seiner Ware, dann des Geldes, worin sie sich verwandelt, endlich der Ware, worin sich dies Geld rückverwandelt. Dieser Formwechsel schließt keine Änderung der Wertgröße ein.

Der Wechsel aber, den der Wert der Ware selbst in diesem Prozeß durchläuft, beschränkt sich auf einen Wechsel seiner Geldform. Sie existiert erst als Preis der zum Verkauf angebotenen Ware, dann als eine Geldsumme, die aber schon im Preise ausgedrückt war, endlich als der Preis einer äquivalenten Ware. Dieser Formwechsel schließt an und für sich ebensowenig eine Änderung der Wertgröße ein wie das Auswechseln einer Fünfpfundnote gegen Sovereigns, halbe Sovereigns und Schillinge.

5.1. [Creation of Surplus-Value in Circulation]

As long as the circulation of commodities is nothing but the vehicle for the form change of its value, it involves therefore, if the phenomenon occurs in its purity, the exchange of equivalents.

↑ Since it is a change the possibility exists that the quantity changes as well. But there is no reason for it; a form change does not imply a change in quantity. ↓ Even the vulgar economists impose such a condition whenever they assume away imbalances between demand and supply:

Even the vulgar economists, who have no inkling of the nature of value, assume therefore that supply and demand are equal, i.e. that supply and demand cease to have any effect at all, whenever they wish to consider, after their fashion, the phenomenon in its purity.

↓ The lesson to be drawn from this abstract argument is that circulation cannot be the source of value.

With respect to the use-values exchanged, therefore, both buyer and seller may possibly gain something, but this is not the case with respect to exchange-values. Here we must rather say: ‘Where there is equality there is no gain.’¹⁸ It is true that commodities may be sold at prices which diverge from their values, but this divergence appears as a violation of the laws governing the exchange of commodities.¹⁹ In its pure form, the exchange of commodities is an exchange of equivalents, and thus it is not a method of increasing value.²⁰

¹⁸ Dove è egualità non è lucro. (Galiani, Della Moneta, in Custodi, Parte moderna, Vol. 4, p. 244).

¹⁹ ‘The exchange becomes unfavorable for one of the parties when some external circumstance comes to lessen or increase the price; then equality is infringed; but this infringement arises from that cause and not from the exchange itself’ (Le Trosne, op. cit., p. 904).

²⁰ ‘Exchange is by its nature a contract which rests on equality, i.e. it takes place between two equal values. It is therefore not a means of self-enrichment, since as much is given as is received’ (Le Trosne, op. cit., p. 903).

Sofern also die Zirkulation der Ware nur einen Formwechsel ihres Werts bedingt, bedingt sie, wenn das Phänomen rein vorgeht, Austausch von Äquivalenten.

Die Vulgärokonomie selbst, so wenig sie ahnt, was der Wert ist, unterstellt daher, so oft sie in ihrer Art das Phänomen rein betrachten will, daß Nachfrage und Zufuhr sich decken, d.h., daß ihre Wirkung überhaupt aufhört.

Wenn also mit Bezug auf den Gebrauchswert beide Austauscher gewinnen können, können sie nicht beide gewinnen an Tauschwert. Hier heißt es vielmehr: „Wo Gleichheit ist, ist kein Gewinn.“¹⁸ Waren können zwar zu Preisen verkauft werden, die von ihren Werten abweichen, aber diese Abweichung erscheint als Verletzung des Gesetzes des Warenaustausches.¹⁹ In seiner reinen Gestalt ist er ein Austausch von Äquivalenten, also kein Mittel, sich an Wert zu bereichern.²⁰

¹⁸ „Dove è egualità non è lucro.“ (Galiani, „Della Moneta“, in Custodi, Parte Moderna, t. IV, p. 244.)

¹⁹ „Der Austausch wird für eine der beiden Parteien ungünstig, wenn irgendein fremder Umstand den Preis vermindert oder erhöht: dann ist die Gleichheit verletzt; aber diese Verletzung ist durch jene Ursache hervorgerufen und nicht durch den Austausch.“ (Le Trosne, l.c. p. 904.)

²⁰ „Der Austausch ist seiner Natur nach ein Vertrag, der auf Gleichheit aufbaut, d.h. zwischen zwei gleichen Werten zustande kommt. Er ist also kein Mittel, sich zu bereichern, da man ebensoviel gibt wie empfängt.“ (Le Trosne, l.c. p. 903, 904.)

5. Contradictions of M–C–M

Exam Question 533 Is exchange (direct barter) a transaction in which both sides gain more than they give up? 2008fa, 2008SP, 2007fa, 2007SP, 2005fa, 2004fa, 2003fa, 2002fa, 2001fa, 2000fa, 1998WI.

Next Marx takes a look at the many false theories about this matter. He begins with a summary judgment which will then be backed up by quotes from Condillac, LeTrosne, and Neumann:

261:1/o Hence we see that behind all attempts to represent the circulation of commodities as a source of surplus-value, there lurks an inadvertent substitution, a confusion of use-value and exchange-value.

173:1–174:3 Hinter den Versuchen, die Warenzirkulation als Quelle von Mehrwert darzustellen, lauert daher meist ein Quid-proquo, eine Verwechslung von Gebrauchs-wert und Tauschwert.

The distinction between exchange-value and use-value is one of the first observations Marx makes about the commodity (and is literally *the* first thing he says in *Contribution 269:1*). Rightly so, because nothing useful can be said about the commodity if this distinction is not made. Let's see how Condillac conflates these two concepts in the following quote:

In Condillac, for instance:

'It is not true that in an exchange of commodities we give value for value. On the contrary, each of the two contracting parties in every case gives a less for a greater value ... If we really exchanged equal values, neither party could make a profit. And yet they both gain, or ought to gain. Why? The value of a thing consists solely in its relation to our needs. What is more to the one is less to the other, and vice versa ... It is not to be assumed that we offer for sale articles essential for our own consumption ... We wish to part with a useless thing, in order to get one that we need; we want to give less for more ... It was natural to think that, in an exchange, one value was given for another equal to it whenever each of the articles exchanged was of equal value with the same quantity of gold ... But there is another point to be considered in our calculation. The question is, whether we both exchange something superfluous for something necessary.'²¹

So z.B. bei Condillac:

„Es ist falsch, daß man im Warenaustausch gleichen Wert gegen gleichen Wert austauscht. Umgekehrt. Jeder der beiden Kontrahenten gibt immer einen kleineren für einen größeren Wert ... Tauschte man in der Tat immer gleiche Werte aus, so wäre kein Gewinn zu machen für irgendeinen Kontrahenten. Aber alle beide gewinnen oder sollten doch gewinnen. Warum? Der Wert der Dinge besteht bloß in ihrer Beziehung auf unsre Bedürfnisse. Was für den einen mehr, ist für den andren weniger, und umgekehrt ... Man setzt nicht voraus, daß wir für unsre Konsumtion unentbehrliche Dinge zum Verkauf ausbieten ... Wir wollen eine uns nutzlose Sache weggeben, um eine uns notwendige zu erhalten; wir wollen weniger für mehr geben ... Es war natürlich, zu urteilen, daß man im Austausch gleichen Wert für gleichen Wert gebe, sooft jedes der ausgetauschten Dinge an Wert demselben Quantum Geld gleich war ... Aber eine andre Betrachtung muß noch in die Rechnung eingehen; es fragt sich, ob wir beide einen Überfluß gegen etwas Notwendiges austauschen.“²¹

Question 534 (Tue Oct 26–Thu Oct 28) Condillac writes: "It is not true that in an exchange of commodities we give value for value. On the contrary, each of the two contracting parties in every case gives a less for a greater value ... If we really exchanged equal values, neither party could make a profit. And yet they both gain, or ought to gain." Show exactly where Condillac, in this passage, conflates use-value and exchange-value. 2009fa, 2008fa, 2008SP, 2005fa.

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↑ The unspoken implication here is that the markup over the cost price, which one observes in capitalism, is the remuneration for the productive services which commodity trade performs by moving the goods into the hands of those who have more use-value for them.

↓ The conflation of use-value and exchange-value however is not the only error in the quote from Condillac.

We see in this passage how Condillac not only throws together use-value and exchange-value, but in a really childish manner assumes that, in a society in which the production of commodities is well developed, each producer produces his own means of subsistence, and throws into circulation only what is superfluous, the excess over his own requirements.²²

Already Condillac's friend Le Trosne gave some good critiques here:

²² Le Trosne therefore answers his friend Condillac quite correctly as follows: 'In a developed society absolutely nothing is superfluous.' At the same time he pokes fun at him with the remark, that, 'if both the persons who exchange receive more in return for an equal amount, and part with less in return for an equal amount, they both get the same.'

Le Trosne's "tease" from footnote 22 can be found in [LT46, pp. 907, 904].

Question 535 (*Tue Oct 26–Thu Oct 28*) *In what way does the following remark poke fun at Condillac? "If both the persons who exchange receive more in return for an equal amount, and part with less in return for an equal amount, then they both get the same."* [2008SP](#), [2004fa](#), [2003fa](#), [2002fa](#).

Still, Condillac's argument is frequently repeated by modern economists, especially when the point is to show that the exchange of commodities in its developed form, commerce, is productive of surplus-value. For instance,

'Commerce ... adds value to products, for the same products in the hands of consumers are worth more than in the hands of producers, and it may strictly be considered an act of production.'²³

This quote is not from Condillac but from Newman, [New35, p. 175]. If a merchant were to justify his markup by his services of bringing the use-values together with those who need them, a Marxist would answer: you are trying to charge me twice for the same merchandise: But commodities are not paid for twice over, once on account of their use-value, and a second time on account of their value.

Man sieht, wie Condillac nicht nur Gebrauchswert und Tauschwert durcheinanderwirft, sondern wahrhaft kindlich einer Gesellschaft mit entwickelter Warenproduktion einen Zustand unterschiebt, worin der Produzent seine Subsistenzmittel selbst produziert und nur den Überschuß über den eigenen Bedarf, den Überfluß, in die Zirkulation wirft.²²

Some good critiques here:

²² Le Trosne antwortet daher seinem Freunde Condillac sehr richtig: „In der entwickelten Gesellschaft gibt es überhaupt nichts Überflüssiges.“ Zugleich neckt er ihn mit der Glosse, daß, „wenn beide Austauscher gleich viel mehr für gleich viel weniger erhalten, sie beide gleich viel erhalten“.

Dennoch wird Condillacs Argument häufig bei modernen Ökonomen wiederholt, namentlich wenn es gilt, die entwickelte Gestalt des Warenaustausches, den Handel, als produktiv von Mehrwert darzustellen.

„Der Handel“ heißt es z.B. „fügt den Produkten Wert zu, denn dieselben Produkte haben mehr Wert in den Händen des Konsumenten als in den Händen des Produzenten, und er muß daher wörtlich (strictly) als Produktionsakt betrachtet werden.“²³

Aber man zahlt die Waren nicht doppelt, das eine Mal ihren Gebrauchswert und das andre Mal ihren Wert.

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↑ According to the labor theory of value, the price of commodities does not depend on their use-values but only on their values. In other words, the buyer only has to pay for their value, i.e., he has to compensate the seller for the labor put into the commodity. What the buyer does with the commodity and how much use-value he derives from it is his private affair; he does not have to pay the seller once more when he gets a lot of use-value out of it. The fact that the buyer gains use-value is not reflected in the price of the commodity, and can therefore not be a source of surplus-value.

Question 536 (*Tue Oct 26–Thu Oct 28*) *What does Marx mean when he says “commodities are not paid for twice over; once on account of their use-value, and a second time on account of their value”?* [2009fa](#), [2008fa](#), [2008SP](#), [2005fa](#).

↑ This redescription of Newman's theory from the point of view of the labor theory of value shows strikingly what is wrong with it if the labor theory is right, but it is not an immanent critique. It only proves that Newman's theory *differs* from the labor theory of value; it is not yet proof that Newman's theory is false. In order to show that Newman's theory cannot be right Marx comes with a second argument, namely, he tries to show that Newman's theory is internally inconsistent:

And though the use-value of a commodity is more serviceable to the buyer than to the seller, its money-form is more so to the seller. Would he sell it otherwise? We might therefore just as well say that the buyer performs what is ‘strictly’ an ‘act of production’ by converting stockings, for example, into money.

Und wenn der Gebrauchswert der Ware dem Käufer nützlicher als dem Verkäufer, ist ihre Geldform dem Verkäufer nützlicher als dem Käufer. Würde er sie sonst verkaufen? Und so könnte ebensowohl gesagt werden, daß der Käufer wörtlich (strictly) einen „Produktionsakt“ vollbringt, indem er z.B. die Strümpfe des Kaufmanns in Geld verwandelt.

Marx ends his argument here, but the implication is clear: the merchant's activity of converting the buyer's money into stockings and the buyer's activity of converting the merchant's stockings into money cannot both be considered production, because each of these activities exactly undoes the other. It is a good thing that the buyer gets his socks and the merchant his money, and everybody is happier for it, but production it is not.

Question 537 (*Tue Oct 26–Thu Oct 28*) *How does Marx rebut the argument that exchange should be considered an act of production because the same products in the hands of consumers are worth more than in the hands of producers?* [2005fa](#), [2004fa](#), [2003fa](#), [2001fa](#), [2000fa](#), [1998WI](#).

Question 538 (*Tue Oct 26–Thu Oct 28*) *If you exchange risky assets with complementary profiles, so that both parties have the same expected value but lower variance after the exchange, is this an example of value created from exchange?*

5.1.b. [Exchange of Nonequivalents]

After it has been shown impossible to create surplus-value through the exchange of equivalents, Marx asks now: is it possible to create surplus-value in circulation with the exchange of non-equivalents?

5.1. [Creation of Surplus-Value in Circulation]

262:1 If commodities, or commodities and money, of equal exchange-value, and consequently equivalents, are exchanged, it is plain that no one extracts more value from circulation than he throws into it. There is no creation of surplus-value. In its pure form, the circulation process necessitates the exchange of equivalents, but in reality processes do not take place in their pure form. Let us therefore assume an exchange of non-equivalents.

Whenever nonequivalents are exchanged, the question is: *who* must buy above value and/or is forced to sell below value? Here Marx tries two different assumptions.

174:4 Werden Waren oder Waren und Geld von gleichem Tauschwert, also Äquivalente ausgetauscht, so zieht offenbar keiner mehr Wert aus der Zirkulation heraus, als er in sie hineinwirft. Es findet dann keine Bildung von Mehrwert statt. In seiner reinen Form aber bedingt der Zirkulationsprozeß der Waren Austausch von Äquivalenten. Jedoch gehn die Dinge in der Wirklichkeit nicht rein zu. Unterstellen wir daher Austausch von Nicht-Äquivalenten.

[Different Economic Roles]

First assumption: the distinction is drawn according to economic categories.

262:2/o In any case the market for commodities is frequented only by owners of commodities, and the power which these persons exercise over each other is no other than the power of their commodities. The bodily difference of the commodities is the bodily driving force behind their exchange, and it makes buyers and sellers mutually dependent, because none of them possesses the object of his own need, and each holds in his own hand the object of another's need. Apart from this bodily difference in their use-values, there is only one other mark of distinction between commodities, the distinction between their natural form and their converted form, between commodities and money. Consequently, the owners of commodities can be differentiated only into sellers, those who own commodities, and buyers, those who own money.

Marx first tries to use as criteria who can sell above or buy below value the distinctions provided by commodity-exchange itself. The only possible distinction between commodity owners is either the use-value they produce, or the distinction between buyer and seller. However, he rules out the distinction of use-values, apparently because it is a symmetric relationship, everyone depends on everyone else, and asks:

263:1 Suppose then that some inexplicable privilege allows the seller to sell his commodities above their value, to sell what is worth 100 for 110, therefore with a nominal price increase of 10 per cent. In this case the seller pockets a surplus-value of

174:5/o Jedenfalls steht auf dem Warenmarkt nur Warenbesitzer dem Warenbesitzer gegenüber, und die Macht, die diese Personen über einander ausüben, ist nur die Macht ihrer Waren. Die stoffliche Verschiedenheit der Waren ist das stoffliche Motiv des Austausches und macht die Warenbesitzer wechselseitig voneinander abhängig, indem keiner von ihnen den Gegenstand seines eignen Bedürfnisses und jeder von ihnen den Gegenstand des Bedürfnisses des anderen in seiner Hand hält. Außer dieser stofflichen Verschiedenheit ihrer Gebrauchswerte besteht nur noch ein Unterschied unter den Waren, der Unterschied zwischen ihrer Naturalform und ihrer verwandelten Form, zwischen Ware und Geld. Und so unterscheiden sich die Warenbesitzer nur als Verkäufer, Besitzer von Ware, und als Käufer, Besitzer von Geld.

175:1 Gesetzt nun, es sei durch irgendein unerklärliches Privilegium dem Verkäufer gegeben, die Ware über ihrem Werte zu verkaufen, zu 110, wenn sie 100 wert ist, also mit einem nominellen Preisaufschlag von 10%. Der Verkäufer kassiert also

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10. But after he has sold he becomes a buyer. A third owner of commodities now comes to him as a seller, and he too, for his part, enjoys the privilege of selling his commodities 10 per cent too dear. Our friend gained 10 as a seller only to lose it again as a buyer.²⁴ In fact the net result is that all owners of commodities sell their goods to each other at 10 per cent above their value, which is exactly the same as if they sold them at their true value. A universal and nominal price increase of this kind has the same effect as if the values of commodities had been expressed for example in silver instead of in gold. The money-names or prices of the commodities would rise, but the relations between their values would remain unchanged.

²⁴ ‘By the augmentation of the nominal value of the produce ... sellers [are] not enriched ... since what they gain as sellers, they precisely expend in the quality of buyers’ ([J. Gray], *The Essential Principles of the Wealth of Nations etc.*, London, 1797, p. 66).

What if all sellers can sell at too high prices? This makes no difference, since everybody becomes a buyer after he is a seller. Value *proportions* remain the same, although the absolute price level increases. The opposite assumption that the sellers sell too cheaply comes to the same result.

263:2 Let us make the opposite assumption, that the buyer has the privilege of purchasing commodities below their value. In this case we do not even need to recall that he is his turn will become a seller. He was a seller before he became a buyer; he had already lost 10 per cent as a seller before he gained 10 per cent as a buyer.²⁵ Everything remains as it was before.

²⁵ ‘If one is compelled to sell a quantity of a certain product for 18 livres when it has a value of 24 livres, then, when one employs the same amount of money in buying, one will receive for 18 livres the same quantity of the product as 24 livres would have bought otherwise’ (Le Trosne, op. cit., p. 897).

263:3 The formation of surplus-value, and therefore the transformation of money into capital, can consequently be explained

einen Mehrwert von 10 ein. Aber nachdem er Verkäufer war, wird er Käufer. Ein dritter Warenbesitzer begegnet ihm jetzt als Verkäufer und genießt seinerseits das Privilegium, die Ware 10% zu teuer zu verkaufen. Unser Mann hat als Verkäufer 10 gewonnen, um als Käufer 10 zu verlieren.²⁴ Das Ganze kommt in der Tat darauf hinaus daß alle Warenbesitzer ihre Waren einander 10% über dem Wert verkaufen, was durchaus dasselbe ist, als ob sie die Waren zu ihren Werten verkauften. Ein solcher allgemeiner nomineller Preisaufschlag der Waren bringt dieselbe Wirkung hervor, als ob die Warenwerte z.B. in Silber statt in Gold geschätzt würden. Die Geldnamen, d.h. die Preise der Waren würden anschwellen, aber ihre Wertverhältnisse unverändert bleiben.

²⁴ „Durch die Heraufsetzung des nominellen Werts des Produkts ... werden die Verkäufer nicht reicher ... da sie genau das, was sie als Verkäufer gewinnen, in ihrer Eigenschaft als Käufer wieder ausgeben.“ ([J. Gray] „*The Essential Principles of the Wealth of Nations etc.*“, London 1797, p. 66.)

175:2 Unterstellen wir umgekehrt, es sei das Privilegium des Käufers, die Waren unter ihrem Wert zu kaufen. Hier ist es nicht einmal nötig zu erinnern, daß der Käufer wieder Verkäufer wird. Er war Verkäufer, bevor er Käufer ward. Er hat bereits 10% als Verkäufer verloren, bevor er 10% als Käufer gewinnt.²⁵ Alles bleibt wieder beim alten.

²⁵ „Wenn man für 18 Livres eine Menge eines bestimmten Erzeugnisses verkaufen muß, die 24 Livres wert ist, wird man, wenn man die gleiche Geldsumme zum Kauf verwendet, für 18 Livres ebenfalls so viel wie für 24 Livres erhalten.“ (Le Trosne, l.c. p. 897.)

175:3 Die Bildung von Mehrwert und daher die Verwandlung von Geld in Kapital, kann also weder dadurch erklärt wer-

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neither by assuming that commodities are sold above their value, nor by assuming that they are bought at less than their value.²⁶

²⁶ ‘A seller can normally only succeed in raising the prices of his commodities if he agrees to pay, by and large, more for the commodities of the other sellers; and for the same reason a consumer can normally only pay less for his purchases if he submits to a similar reduction in the prices of the things he sells’ (Mercier de la Rivière, op. cit., p. 555).

↑ This cannot be the explanation of capitalism. ↓ It is also of no avail to distinguish along economic criteria *outside circulation*, e.g., to distinguish between producers and consumers. In circulation, producers are sellers and consumers are buyers, i.e., we have the same case as before.

264:1a The problem is in no way simplified if extraneous matters are smuggled in, as with Colonel Torrens:

‘Effectual demand consists in the power and inclination (!), on the part of consumers, to give for commodities, either by immediate or circuitous barter, some greater portion of ... capital than their production costs.’²⁷

²⁷ R. Torrens, *An Essay on the Production of Wealth*, London, 1821, p. 349.

264:1b In circulation, producers and consumers confront each other only as buyers and sellers. To assert that the surplus-value acquired by the producer has its origin in the fact that consumers pay for commodities more than their value is only to disguise the following simple phrase: the owner of commodities possesses, as a seller, the privilege of selling too dear. The seller is either the producer or the representative of the producer of his commodities, but the buyer is no less either the producer or the representative of the producer of the commodities represented by his money. One producer is therefore confronted with another producer. The distinction between them is that one buys and the other sells. One does not throw any light on the origin of surplus-value if one says that the owner of the commodities sells them at more than their value, under the designation of producer, and pays

den, daß die Verkäufer die Waren über ihrem Werte verkaufen, noch dadurch, daß die Käufer sie unter ihrem Werte kaufen.²⁶

²⁶ „Kein Verkäufer kann daher gewöhnlich seine Waren im Preis heraufsetzen, ohne ebenso die Waren der anderen Verkäufer teurer bezahlen zu müssen; und aus dem gleichen Grunde kann kein Verbraucher gewöhnlich billiger einkaufen, ohne ebenso die Waren, die er verkauft, im Preise herabsetzen zu müssen.“ (Mercier de la Rivière, l.c. p. 555.)

176:1–2 Das Problem wird in keiner Weise dadurch vereinfacht, daß man fremde Beziehungen einschmuggelt, also etwa mit Oberst Torrens sagt:

„Die effektive Nachfrage besteht in dem Vermögen und der Neigung (!) der Konsumenten, sei es durch unmittelbaren oder vermittelten Austausch, für Waren eine gewisse größere Portion von allen Ingredienzien des Kapitals zu geben, als ihre Produktion kostet.“²⁷

²⁷ R. Torrens, „An Essay on the Production of Wealth“, London 1821, p. 349.

176:3 In der Zirkulation stehn sich Produzenten und Konsumenten nur als Verkäufer und Käufer gegenüber. Behaupten, der Mehrwert für den Produzenten entspringe daraus, daß die Konsumenten die Ware über den Wert zahlen, heißt nur den einfachen Satz maskieren: Der Warenbesitzer besitzt als Verkäufer das Privilegium, zu teuer zu verkaufen. Der Verkäufer hat die Ware selbst produziert oder vertritt ihren Produzenten, aber der Käufer hat nicht minder die in seinem Gelde dargestellte Ware selbst produziert oder vertritt ihren Produzenten. Es steht also Produzent dem Produzenten gegenüber. Was sie unterscheidet, ist, daß der eine kauft und der andre verkauft. Es bringt uns keinen Schritt weiter, daß der Warenbesitzer unter dem Namen Produzent die Ware über ihrem Werte verkauft und unter dem Namen Konsument sie zu teuer zahlt.²⁸

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too much for them, under the designation of consumer.²⁸

The footnote makes the same point:

²⁸ ‘The idea of profits being paid by the consumers, is, assuredly, very absurd. Who are the consumers?’ (G. Ramsay, *An Essay on the Distribution of Wealth*, Edinburgh, 1836, p. 183).

²⁸ „Der Gedanke, daß die Profite von den Konsumenten gezahlt werden, ist sicher völlig absurd. Wer sind die Konsumenten?“ (G. Ramsay, „*An Essay on the Distribution of Wealth*“, Edinburgh 1836, p. 183.)

Question 540 (*Tue Oct 26–Thu Oct 28*) Ramsay asks: “who are the consumers?” This is a rhetorical question, obviously he had an answer in mind. Which answer? [2009fa](#), [2007fa](#).

↑ Marx makes here explicitly the assumption of Simple commodity production. (He will say this again in [266:3/o](#).) ↓ If one comes to other conclusions than he one must have a different social structure in mind.

264:2 Those who most consistently uphold the illusion that surplus-value has its origin in a nominal rise of prices, or in the privilege which the seller has of selling too dear, assume therefore that there exists a class of buyers who do not sell, i.e. a class of consumers who do not produce.

176:4/o Die konsequenten Vertreter der Illusion, daß der Mehrwert aus einem nominalen Preiszuschlag entspringt oder aus dem Privilegium des Verkäufers, die Ware zu teuer zu verkaufen, unterstellen daher eine Klasse, die nur kauft, ohne zu verkaufen, also auch nur konsumiert ohne zu produzieren.

Can the theory that profits come from inflated prices be salvaged by the assumption that there is a class which consumes but does not produce? Marx says no. These nonproducers must have stolen their money. Selling to them at an inflated price simply recaptures part of this theft.

The existence of such a class cannot yet be explained from the standpoint we have reached at present, that of simple circulation. But let us anticipate. The money with which such a class is constantly making purchases must constantly flow into its coffers without any exchange, gratis, whether by might or by right, from the pockets of the commodity-owners themselves. To sell commodities at more than their value to such a class is only to get back again, by swindling, a part of the money previously handed over for nothing.²⁹

Die Existenz einer solchen Klasse ist von unsrem bisher erreichten Standpunkt, dem der einfachen Zirkulation, noch unerklärlich. Aber greifen wir vor. Das Geld, womit eine solche Klasse beständig kauft, muß ihr beständig, ohne Austausch, umsonst, auf beliebige Rechts- und Gewaltstitel hin, von den Warenbesitzern selbst zufließen. Dieser Klasse die Waren über dem Wert verkaufen, heißt nur, umsonst weggegebenes Geld sich zum Teil wieder zurückzuschwindeln.²⁹

²⁹ ‘When a man is in want of a demand, does Mr Malthus recommend him to pay some other person to take off his goods?’ is a question put by an infuriated Ricardian to Malthus, who, like his disciple Parson Chalmers, economically glorifies this class of simple buyers or consumers. See *An Inquiry into Those Principles, Respecting the Nature of Demand and the Necessity of*

²⁹ „Wenn es jemand an Nachfrage mangelt, rät ihm dann Herr Malthus, eine andre Person zu bezahlen. damit diese ihm seine Waren abnehme?“ fragt ein entrüsteter Ricardianer den Malthus, der wie sein Schüler, der Pfaffe Chalmers, die Klasse von bloßen Käufern oder Konsumenten ökonomisch verherrlicht. Sieh: „*An Inquiry into those principles, respecting the Nature of Demand and*

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Consumption, Lately Advocated by Mr. Malthus etc., London, 1821, p. 55.

There is only one way that sellers can gain over the buyers by selling too expensively: if they do not become buyers afterwards. But this means, they must be giving their money away to the buyers without getting something in exchange. In this case, their gains in selling too expensively only mean that they gain some money back which they had to give away before. This is not merely a theoretical possibility but has a fitting historical example with the towns in Asa Minor (Turkey).

Thus, the towns of Asia Minor paid a yearly money tribute to ancient Rome. With this money Rome bought commodities from them and bought them too expensively. The provincials cheated the Romans, and in this way swindled back from their conquerors a portion of the tribute in the course of trade. Yet, for all that, the provincials remained the ones who were cheated. Their commodities were paid to them with their own money.

This is not the same mechanism that we see today.

That is not the way to get rich or to create surplus-value.

the Necessity of Consumption, lately advocated by Mr. Malthus etc.“, London 1821, p. 55.

So zahlten die kleinasiatischen Städte jährlichen Geldtribut am das alte Rom. Mit diesem Geld kaufte Rom Waren von ihnen und kaufte sie zu teuer. Die Kleinasiaten prellten die Römer, indem sie den Eroberern einen Teil des Tributs wieder abluchsten auf dem Wege des Handels. Aber dennoch blieben die Kleinasiaten die Geprellten. Ihre Waren wurden ihnen nach wie vor mit ihrem eigenen Gelde gezahlt.

Es ist dies keine Methode der Bereicherung oder der Bildung von Mehrwert.

Question 541 (Tue Oct 26–Thu Oct 28) *Can capitalism be explained by the workers not being able to sell their commodity, namely labor, at its value?*

[Differences Between Individuals]

Next the distinction is drawn not along economic categories but simply between different individuals.

265:1 Let us therefore keep within the limits of the exchange of commodities, where sellers are buyers, and buyers are sellers. Our perplexity may perhaps have arisen from conceiving people merely as personified categories, instead of as individuals.

265:2 A may be clever enough to get the advantage of B and C without their being able to take their revenge. A sells wine worth £40 to B, and obtains from him in exchange corn to the value of £50. A has converted his £40 into £50, has made more money out of less, and has transformed his commodities into capital.

177:1 Halten wir uns also innerhalb der Schranken des Warenaustausches, wo Verkäufer Käufer und Käufer Verkäufer sind. Unsre Verlegenheit stammt vielleicht daher, daß wir die Personen nur als personifizierte Kategorien, nicht individuell, gefaßt haben.

177:2 Warenbesitzer A mag so pfiffig sein, seine Kollegen B oder C übers Ohr zu hauen, während sie trotz des besten Willens die Revanche schuldig bleiben. A verkauft Wein zum Wert von 40 Pf.d.St. an B und erwirbt im Austausch Getreide zum Wert von 50 Pf.d.St. A hat seine 40 Pf.d.St. in 50 Pf.d. St. verwandelt, mehr Geld aus weniger Geld gemacht und seine Ware in Kapital verwandelt.

↑ This seems to be a situation in which surplus-value is generated in circulation. ↓ But it is a zero-sum game, i.e., only the redistribution of already existing value, not the generation of new surplus-value:

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Let us examine this a little more closely. Before the exchange we had £40 of wine in the hands of *A*, and £50 worth of corn in those of *B*, a total value of £90. After the exchange we still have the same total value of £90. The value in circulation has not increased by one iota; all that has changed is its distribution between *A* and *B*. What appears on one side as a loss of value, appears on the other side as surplus-value; what appears on one side as a minus appears on the other side as a plus. The same change would have taken place if *A*, without the disguise provided by the exchange, had directly stolen the £10 from *B*. The sum of the values in circulation can clearly not be augmented by any change in their distribution, any more than a Jew can increase the quantity of the precious metals in a country by selling a farthing from the time of Queen Anne for a guinea. The capitalist class of a given country, taken as a whole, cannot defraud itself.³⁰

³⁰ Destutt de Tracy, although, or perhaps because, he was a Membre de l’Institut, held the opposite view. The industrial capitalists, he says, make profits because ‘they all sell for more than it has cost to produce. And to whom do they sell? In the first instance to one another’ (op. cit., p. 239).

Summary:

266:1 However much we twist and turn, the final conclusion remains the same. If equivalents are exchanged, no surplus-value results, and if non-equivalents are exchanged, we still have no surplus-value.³¹ Circulation, or the exchange of commodities, creates no value.³²

³¹ ‘The exchange of two equal values neither increases nor diminishes the amount of the values present in society. Equally, the exchange of two unequal values... effects no change in the sum of social values, although it adds to the wealth of one person what it removes from the wealth of another’ (J. B. Say, op. cit., Vol. 2, pp. 443–4). Say, who is of course untroubled by the consequences of this statement, borrows it almost word

Sehn wir näher zu. Vor dem Austausch hatten wir für 40 Pf.d.St. Wein in der Hand von *A* und für 50 Pf.d.St. Getreide in der Hand von *B*, Gesamtwert von 90 Pf.d.St. Nach dem Austausch haben wir denselben Gesamtwert von 90 Pf.d.St. Der zirkulierende Wert hat sich um kein Atom vergrößert, seine Verteilung zwischen *A* und *B* hat sich verändert. Auf der einen Seite erscheint als Mehrwert, was auf der andren Minderwert ist, auf der einen Seite als Plus, was auf der andren als Minus. Derselbe Wechsel hätte sich ereignet, wenn *A*, ohne die verhüllende Form des Austausches, dem *B* 10 Pf.d.St. direkt gestohlen hätte. Die Summe der zirkulierenden Werte kann offenbar durch keinen Wechsel in ihrer Verteilung vermehrt werden, soweinig wie ein Jude die Masse der edlen Metalle in einem Lande dadurch vermehrt, daß er einen Farthing aus der Zeit der Königin Anna für eine Guinee verkauft. Die Gesamtheit der Kapitalisteklasse eines Landes kann sich nicht selbst übervorteilen.³⁰

³⁰ Destutt de Tracy, obgleich—vielleicht weil—Membre de l’Institut, war umgekehrter Ansicht. Die industriellen Kapitalisten, sagt er, machen dadurch ihre Profite, daß „sie alles teurer verkaufen, als es gekostet hat zu produzieren. Und an wen verkaufen sie? Erstens aneinander.“ (I.c. p. 239.)

177:3/o Man mag sich also drehen und wenden, wie man will, das Fazit bleibt dasselbe. Werden Äquivalente ausgetauscht, so entsteht kein Mehrwert, und werden Nicht-Äquivalente ausgetauscht, so entsteht auch kein Mehrwert.³¹ Die Zirkulation oder der Warenaustausch schafft keinen Wert.³²

³¹ „Der Austausch von zwei gleichen Werten vermehrt weder die Masse der in der Gesellschaft vorhandenen Werte, noch vermindert er sie. Der Austausch zweier ungleicher Werte ... ändert ebenfalls nichts an der Summe der gesellschaftlichen Werte, da er dem Vermögen des einen zufügt, was er dem Vermögen des anderen wegnimmt.“ (J. B. Say, I.c., t. II, p. 443, 444.) Say, natürlich unbekümmert um die Konsequen-

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for word from the Physiocrats. The following example will show how Monsieur Say exploited the writings of the Physiocrats, in his day quite forgotten, for the purpose of increasing the ‘value’ of his own. His ‘most celebrated’ saying, ‘Products can only be bought with products’ (op. cit., Vol. 2, p. 441), runs as follows in the original Physiocratic work: ‘Products can only be paid for with products’ (Le Trosne, op. cit., p. 899).

³² ‘Exchange confers no value at all upon products’ (F. Wayland, *The Elements of Political Economy*, Boston, 1843, p. 169).

zen dieses Satzes, entlehnt ihn ziemlich wörtlich den Physiokraten. Die Art, wie er ihre zu seiner Zeit verschollenen Schriften zur Vermehrung seines eigenen „Wertes“ ausgebeutet hat, zeige folgendes Beispiel. Der „berühmteste“ Satz des Monsieur Say: „Man kann Produkte nur mit Produkten kaufen“ (l.c., t. II, p. 438), lautet im physiokratischen Original: „Erzeugnisse lassen sich nur mit Erzeugnissen bezahlen.“ (Le Trosne, l.c. p. 899.)

³² „Der Austausch überträgt keinerlei Wert auf die Produkte.“ (F. Wayland, „*The Elements of Pol. Econ.*“, Boston 1843, p. 168.)

Question 542 (*Tue Oct 26–Thu Oct 28*) *Why can surplus-value not be explained by the fact that the capitalists sell their product at inflated prices? Does this mean that it is not in the interest of the capitalists to violate the law of value?* [2009fa](#), [2001fa](#), [2000fa](#).

This argument has another implication which Marx does not point out here explicitly, but which he is going to use later: Deviations of values from prices cannot turn a static situation into a dynamic one. Equally, it cannot turn a dynamic system into a static one. The dynamic must therefore be explainable even if the assumption is made that prices are strictly proportional to values.

5.1.c. [Methodological Remark]

This concludes Marx’s extended argument that value cannot be created in circulation. Next comes a methodological interlude: this is why we cannot begin our investigation of capitalism with the historically earliest forms of capital, merchant capital or usury capital:

266:2 It can be understood, therefore, why, in our analysis of the primary form of capital, the form in which it determines the economic organization of modern society, we have entirely left out of consideration its well-known and so to speak antediluvian forms, merchants’ capital and usurers’ capital.

Although merchant’s capital is the purest form of $M - C - M'$, it cannot be Marx’s point of departure when he investigates the general formula of capital.

266:3/o The form $M - C - M$, buying in order to sell dearer, is at its purest in genuine merchants’ capital. But the whole of this movement takes place within the sphere of circulation. Since, however, it is impossible, by circulation alone, to explain the transformation of money into capital, and the formation of surplus-value, merchants’ capital appears to be an impossibility, as long as equivalents are exchanged;³³ it ap-

178:1 Man versteht daher, warum in unserer Analyse der Grundform des Kapitals, der Form, worin es die ökonomische Organisation der modernen Gesellschaft bestimmt, seine populären und sozusagen antediluvianischen Gestalten, Handelskapital und Wucherkapital, zunächst gänzlich unberücksichtigt bleiben.

178:2/o Im eigentlichen Handelskapital erscheint die Form $G - W - G'$, kaufen, um teurer zu verkaufen, am reinsten. Andrerseits geht seine ganze Bewegung innerhalb der Zirkulationssphäre vor. Da es aber unmöglich ist, aus der Zirkulation selbst die Verwandlung von Geld in Kapital, die Bildung von Mehrwert zu erklären, erscheint das Handelskapital unmöglich, sobald Äquivalente ausgetauscht werden.³³

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pears, therefore, that it can only be derived from the twofold advantage gained, over both the selling and the buying producers, by the merchant who parasitically inserts himself between them. It is in this sense that Franklin says ‘war is robbery, commerce is cheating’.³⁴

³³ ‘Under the rule of invariable equivalents commerce would be impossible’ (G. Opdyke, *A Treatise on Political Economy*, New York, 1851, pp. 66–9). ‘The difference between real value and exchange-value is based on one fact—namely, that the value of a thing differs from the so-called equivalent given for it in trade, i.e. that the equivalent is not an equivalent’ (F. Engels, op. cit., p. 96) [English translation, p. 427].

daher nur ableitbar aus der doppelseitigen Übervorteilung der kaufenden und verkaugenden Warenproduzenten durch den sich parasitisch zwischen sie schiebenden Kaufmann. In diesem Sinn sagt Franklin: „Krieg ist Raub, Handel ist Prellerei.“³⁴

³³ „Unter der Herrschaft unveränderlicher Äquivalente würde der Handel unmöglich sein.“ (G. Opdyke, „A Treatise on polit. Economy“, New York 1852, p. 66 bis 69.) „Dem Unterschiede zwischen Realwert und Tauschwert liegt eine Tatsache zum Grunde—nämlich daß der Wert einer Sache verschieden ist von dem im Handel für sie gegebenen sogenannten Äquivalent, d.h., daß dies Äquivalent kein Äquivalent ist.“ (F. Engels, l.c. p. 95, 96.)

Question 543 (*Tue Oct 26–Thu Oct 28*) *Although commercial capital is $M - C - M'$ in its purest form, it does not have a central place in Marx's derivation of capital. Why not?* [2008fa](#), [2004fa](#), [2003fa](#).

↓ Modern commercial capital is a different matter: its profits do not derive from buying below and selling above value. Marx will explain in volume 3 of *Capital* where its profits come from. Right now, the basis for such an explanation has not yet been laid:

If the valorization of merchants' capital is not to be explained merely by frauds practised on the producers of commodities, a long series of intermediate steps would be necessary, which are as yet entirely absent, since here our only assumption is the circulation of commodities and its simple elements.

Soll die Verwertung des Handelskapitals nicht aus bloßer Prellerei der Warenproduzenten erklärt werden, so gehört dazu eine lange Reihe von Mittelgliedern, die hier, wo die Warenzirkulation und ihre einfachen Momente unsre einzige Voraussetzung bilden, noch gänzlich fehlt.

↓ What Marx said about merchant capital applies even more to usurer's capital:

267:1 What we have said with reference to merchants' capital applies still more to usurers' capital. In merchants' capital the two extremes, the money which is thrown upon the market and the augmented money which is withdrawn from the market, are mediated through a purchase and a sale, through the movement of circulation. In usurers' capital, this mediation is missing. The form $M - C - M'$ is shortened so that only the unmediated extremes $M - M'$ remain, money which is exchanged for more money—a form which contradicts the nature of money and therefore cannot be ex-

179:1 Was vom Handelskapital, gilt noch mehr vom Wucherkapital. Im Handelskapital sind die Extreme, das Geld, das auf den Markt geworfen, und das vermehrte Geld, das dem Markt entzogen wird, wenigstens vermittelt durch Kauf und Verkauf, durch die Bewegung der Zirkulation. Im Wucherkapital ist die Form $G - W - G'$ abgekürzt auf die unvermittelten Extreme $G - G'$, Geld, das sich gegen mehr Geld austauscht, eine der Natur des Geldes widersprechende und daher vom Standpunkt des Warenaustausches unerklärliche Form. Daher Aristoteles:

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plained from the standpoint of the exchange of commodities. This is why Aristotle says:

'Since chrematistics is a double science, one part belonging to commerce, the other to economics, the latter being necessary and praiseworthy, the former based on circulation and with justice disapproved (for it is not based on Nature, but on mutual cheating), the usurer is most rightly hated, because money itself is the source of his gain, and is not used for the purposes for which it was invented. For it originated for the exchange of commodities, but interest makes out of money, more money. Hence its name.' (τόκος, interest and offspring.) 'For the offspring resembles the parent. But interest is money, so that of all modes of making a living, this is the most contrary to Nature.'³⁵

³⁵ Aristotle, op. cit., c. 10 [english translation, para. 1258b].

267:2 In the course of our investigation, we shall find that both merchants' capital and interest-bearing capital are derivative forms, and at the same time it will become clear why, historically, these two forms appear before the modern primary form of capital.

„Da die Chrematistik eine doppelte ist, die eine zum Handel, die andre zur Ökonomik gehörig, die letztere notwendig und lobenswert, die erstere auf die Zirkulation gegründet und mit Recht getadelt (denn sie beruht nicht auf der Natur, sondern auf wechselseitiger Prellerei), so ist der Wucher mit vollstem Recht verhaßt, weil das Geld selbst hier die Quelle des Erwerbs und nicht dazu gebraucht wird, wozu es erfunden ward. Denn für den Warenaustausch entstand es, der Zins aber macht aus Geld mehr Geld. Daher auch sein Name“ (τόκος Zins und Geborenes). „Denn die Geborenen sind den Erzeugern ähnlich. Der Zins aber ist Geld von Geld, so daß von allen Erwerbszweigen dieser der naturwidrigste.“³⁵

³⁵ Aristoteles, l.c., c. 10, [p. 17].

179:3 Wie das Handelskapital werden wir das zinstragende Kapital im Verlauf unsrer Untersuchung als abgeleitete Formen vorfinden und zugleich sehn, warum sie historisch vor der modernen Grundform des Kapitals erscheinen.

Question 544 (Tue Oct 26–Thu Oct 28) Why are the ancient merchant capitalists and usurers not useful examples for understanding modern capitalism? [2008fa](#), [2003fa](#).

Question 545 (Tue Oct 26–Thu Oct 28) Why did merchant's capital and interest-bearing capital appear, historically, before the modern primary form of capital?

5.2. [Surplus-Value Outside Circulation]

Can surplus-value be created outside circulation? Marx argues that this too is impossible.

268:1 We have shown that surplus-value cannot arise from circulation. For surplus-value to be formed, something must take place behind the back of circulation which is not visible in the circulation itself.³⁶ But can surplus-value originate anywhere other than in circulation?

In the next sentence, Marx reiterates that no relations between people are admitted other than those of commodity-owners. E.g., people are not allowed to take things away directly from others. What remains is the relation of everybody to his own commodity:

179:4/o Es hat sich gezeigt, daß der Mehrwert nicht aus der Zirkulation entspringen kann, bei seiner Bildung also etwas hinter ihrem Rücken vorgehn muß, das in ihr selbst unsichtbar ist.³⁶ Kann aber der Mehrwert anderswoher entspringen als aus der Zirkulation?

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Circulation is the sum total of all the mutual relations of commodity-owners. Outside it, the commodity-owner only stands in a relation to his own commodity. As far as the value of that commodity is concerned, the relation is limited to this, that the commodity contains a quantity of his own labor which is measured according to definite social laws. This quantity of labor is expressed by the magnitude of the value of his commodity, and since the value is reckoned in money of account, this quantity is also expressed by the price, £ 10 for instance. But his labor does not receive a double representation: it is not represented both in the value of the commodity and in an excess quantity over and above that value, it is not represented in a price of 10 which is simultaneously a price of 11, i.e. in a value which is greater than itself. The commodity-owner can create value by his labor, but he cannot create values which can valorize themselves. He can increase the value of his commodity by adding fresh labor, and therefore more value, to the value in hand, by making leather into boots, for instance. The same material now has more value, because it contains a greater quantity of labor. The boots have therefore more value than the leather, but the value of the leather remains what it was. It has not valorized itself, it has not annexed surplus-value during the making of the boots. It is therefore impossible that, outside the sphere of circulation, a producer of commodities can, without coming into contact with other commodity-owners, valorize value, and consequently transform money or commodities into capital.

³⁶ ‘Profit, in the usual condition of the market, is not made by exchanging. Had it not existed before, neither could it after that transaction’ (Ramsay, op. cit., p. 184).

If someone adds value to an object through his own labor, then this is not *self-expansion* of the value that is already there, because the value is not the subject. Self-expansion of value takes place only if the value itself increases itself.

Die Zirkulation ist die Summe aller Wechselbeziehungen der Warenbesitzer. Außerhalb derselben steht der Warenbesitzer nur noch in Beziehung zu seiner eignen Ware. Was ihren Wert angeht, beschränkt sich das Verhältnis darauf, daß sie ein nach bestimmten gesellschaftlichen Gesetzen gemessenes Quantum seiner eignen Arbeit enthält. Dies Quantum Arbeit drückt sich aus in der Wertgröße seiner Ware, und, da sich Wertgröße in Rechengeld darstellt, in einem Preise von z.B. 10 Pfd.St. Aber seine Arbeit stellt sich nicht dar im Werte der Ware und einem Überschuß über ihrem eignen Wert, nicht in einem Preise von 10, der zugleich ein Preis von 11, nicht in einem Wert, der größer als er selbst ist. Der Warenbesitzer kann durch seine Arbeit Werte bilden, aber keine sich verwertenden Werte. Er kann den Wert einer Ware erhöhn, indem er vorhandnem Wert neuen Wert durch neue Arbeit zusetzt, z.B. aus Leder Stiefel macht. Derselbe Stoff hat jetzt mehr Wert, weil er ein größeres Arbeitsquantum enthält. Der Stiefel hat daher mehr Wert als das Leder, aber der Wert des Leders ist geblieben, was er war. Er hat sich nicht verwertet, nicht während der Stiefelfabrikation einen Mehrwert angesetzt. Es ist also unmöglich, daß der Warenproduzent außerhalb der Zirkulationssphäre, ohne mit andren Warenbesitzern in Berührung zu treten, Wert verwerte und daher Geld oder Ware in Kapital verwandle.

³⁶ „Unter den üblichen Bedingungen des Marktes wird Profit nicht durch Austausch gemacht. Wäre er nicht vorher vorhanden gewesen, so könnte er es auch nicht nach dieser Transaktion sein.“

Question 546 (Tue Oct 26–Thu Oct 28) What is the difference between a shoemaker, who

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adds to the value of his leather by turning the leather into shoes, and a capitalist, who adds to the value of his money by investing it? 2009fa, 2007fa, 2007SP, 2005fa, 2004fa, 2003fa, 2002fa, 1998WI.

Question 547 (Tue Oct 26–Thu Oct 28) *A baker producing for the market, who owns his own tools and works alone, buys flour and sells bread at a price higher than the flour; is he performing the act $M - C - M'$ which valorizes his capital?* 2008fa, 2000fa, 1998WI.

Question 548 (Tue Oct 26–Thu Oct 28) *Does surplus-value come from the capitalist working “smarter” than the simple commodity producer?*

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Since both possibilities are ruled out—surplus-value cannot be created inside circulation, and also not outside circulation, one should expect the conclusion to be: surplus-value cannot be created at all on the basis of commodity production. However Marx surprises us with a third alternative:

268:2 Capital cannot therefore arise from circulation, and it is equally impossible for it to arise apart from circulation. It must have its origin both in circulation and not in circulation.

↑ Earlier in this chapter, Marx showed that surplus-value cannot have its origin in circulation *alone*, and it cannot have its origin *completely* outside of circulation. Any process creating surplus-value must therefore be in part inside and in part outside circulation.

268:3 We therefore have a double result.

180:1 Kapital kann also nicht aus der Zirkulation entspringen, und es kann ebenso wenig aus der Zirkulation nicht entspringen. Es muß zugleich in ihr und nicht in ihr entspringen.

180:2 Ein doppeltes Resultat hat sich also ergeben.

The condition “in and outside circulation” is only one of the two results of this chapter. The other result is that surplus-value is not a violation of the laws of the commodity, i.e., it must be explainable even if all prices are equal to values.

268:4/o The transformation of money into capital has to be developed on the basis of the laws immanent to the exchange of commodities, in such a way that the exchange of equivalents is taken as starting point.³⁷

180:3/o Die Verwandlung des Geldes in Kapital ist auf Grundlage dem Warenaustausch immanenter Gesetze zu entwickeln, so daß der Austausch von Äquivalenten als Ausgangspunkt gilt.³⁷

↑ This requirement can be justified by Marx’s earlier arguments that the exchange of equivalents is the “pure” form of the commodity circulation. For instance, in 260:2/o Marx argues that circulation is in essence a change of form which in its pure state does not entail a change in quantity; in 260:2/o he remarks that even vulgar economy usually assumes, in order to consider the phenomena in their pure form, that demand and supply coincide; and both 260:2/o and 262:1 reiterate that in its pure form commodity exchange is the exchange of equivalents. In his Notes to Wagner, [mecw24]536:3–5, Marx says that this assumption is a scientific necessity. ↓ Besides, footnote 37 brings some good additional arguments:

³⁷ The reader will see from the foregoing discussion that the meaning of this statement is only as follows: the formation of capital must be possible even though the price and the value of a commodity be the same, for it cannot be ex-

³⁷ Nach der gegebenen Auseinandersetzung versteht der Leser, daß dies nur heißt: Die Kapitalbildung muß möglich sein, auch wenn der Warenpreis gleich dem Warenwert. Sie kann nicht aus der Abweichung der Warenpreise von den

5. Contradictions of M–C–M

plained by referring to any divergence between price and value. If prices actually differ from values, we must first reduce the former to the latter, i.e. disregard this situation as an accidental one in order to observe the phenomenon of the formation of capital on the basis of the exchange of commodities in its purity, and to prevent our observations from being interfered with by disturbing incidental circumstances which are irrelevant to the actual course of the process. We know moreover that this reduction is not limited to the field of science. The continual oscillations in prices, their rise and fall, compensate each other, cancel each other out, and carry out their own reduction to an average price which is their internal regulator. This average price is the guiding light of the merchant or the manufacturer in every undertaking of a lengthy nature. The manufacturer knows that if a long period of time is considered, commodities are sold neither over nor under, but at, their average price. If, therefore, he were at all interested in disinterested thinking, he would formulate the problem of the formation of capital as follows: How can we account for the origin of capital on the assumption that prices are regulated by the average price i.e. ultimately by the value of the commodities? I say ‘ultimately’ because average prices do not directly coincide with the values of commodities, as Adam Smith, Ricardo, and others believe.

↑ The equality of prices and values is an important assumption which will come up again and again; [430:1/o](#) is perhaps the most prominent place, other places are [655:2](#), [671:2/o](#), and [729:2/o](#).

Question 549 (*Tue Oct 26–Thu Oct 28*) Why does Marx make the assumption throughout Volume I of Capital that the prices of all commodities are quantitatively equal to their values? [2004fa](#), [2003fa](#), [2002fa](#), [1999SP](#), [1997ut](#), [1997WI](#), [1996ut](#), [1995ut](#).

↓ The process under investigation, by which value is turned into more value, must therefore satisfy the following conditions:

The money-owner, who is as yet only a capitalist in larval form, must buy his commodities at their value, sell them at their value, and yet at the end of the process withdraw more value from circulation than he threw into it at the beginning. His emergence as a butterfly must, and yet must not, take place in the sphere of circulation. These are the conditions of the problem. *Hic Rhodus, hic salta!*

Warenwerten erklärt werden. Weichen die Preise von den Werten wirklich ab, so muß man sie erst auf die letzteren reduzieren, d.h. von diesem Umstände als einem zufälligen absehn, um das Phänomen der Kapitalbildung auf Grundlage des Warenaustauschs rein vor sich zu haben und in seiner Beobachtung nicht durch störende und dem eigentlichen Verlauf fremde Nebenumstände verwirrt zu werden. Man weiß übrigens, daß diese Reduktion keineswegs eine bloß wissenschaftliche Prozedur ist. Die beständigen Oszillationen der Marktpreise, ihr Steigen und Sinken, kompensieren sich, heben sich wechselseitig auf und reduzieren sich selbst zum Durchschnittspreis als ihrer inneren Regel. Diese bildet den Leistern z.B. des Kaufmanns oder des Industriellen in jeder Unternehmung, die längeren Zeitraum umfaßt. Er weiß also, daß, eine längere Periode im ganzen betrachtet, die Waren wirklich weder unter noch über, sondern zu ihrem Durchschnittspreis verkauft werden. Wäre interesseloses Denken also überhaupt sein Interesse, so müßte er sich das Problem der Kapitalbildung so stellen: Wie kann Kapital entstehen bei der Regelung der Preise durch den Durchschnittspreis, d.h. in letzter Instanz durch den Wert der Ware? Ich sage „in letzter Instanz“, weil die Durchschnittspreise nicht direkt mit den Wertgrößen der Waren zusammenfallen, wie A. Smith, Ricardo usw. glauben.

Unser nur noch als Kapitalistenraupe vorhandner Geldbesitzer muß die Waren zu ihrem Wert kaufen, zu ihrem Wert verkaufen und dennoch am Ende des Prozesses mehr Wert herausziehn, als er hineinwarf. Seine Schmetterlingsentfaltung muß in der Zirkulationsphäre und muß nicht in der Zirkulationssphäre vorgehn. Dies sind die Bedingungen des Problems. *Hic Rhodus, hic salta!*

5.3. [Both in and outside Circulation]

“Hic Rhodus hic salta” (Rhodes is here, jump here) is the reply made, in one of Aesop’s fables, to a braggart who claimed he had once made an immense jump in Rhodes, and that he could produce witnesses. Someone replied that there was no need for witnesses, since the athlete could demonstrate the jump here and now. Marx gives his own nuance to this punchline. He does not compare the capitalist to a braggard who *pretends* to be able to do something which he cannot do. On the contrary, it is obvious that the capitalist is able to jump. We see the results of his jumps all around us—but he makes his jumps in a secret place, in “Rhodes,” so that we do not know *how* the results are generated which we see. “Hic Rhodus, hic salta” means that we want the capitalist to perform his athletics before our eyes, so that we can see how he does it. Of course, we are not asking the capitalist to do things differently; the challenge is on us to *see* how the capitalist does it.

The transition from simple circulation to capital in chapters Four and Five was based on a second-order argument. Marx started with the general observation that there are people in a capitalist society who do $M - C - M'$, and from this Marx could derive that in this activity, capitalists are presiding over the self-valorization process of value, and they have made this process also their individual motive. Value, therefore, in capitalism, is not a static but a dynamic substance, it moves, it increases itself. But we have not yet figured out *how* value increases itself. Chapter Five has given some indirect and mainly negative clues about it: it cannot happen in circulation alone, and it cannot be based on unequal exchange. This is how far we got with second-order arguments, i.e., with asking what must be the case for a large scale $M - C - M'$ to be possible scale as we see it in capitalism. Now we have to look around and see whether we can find a mechanism that generates the phenomena which we see. This is the “hic Rhodus hic salta” moment for us. We are already halfways there with our search; the criteria laid out in the last passage we read have narrowed down our search considerably. The next chapter will show that the availability on the market of the commodity labor-power is necessary to make this result possible, and in chapter Seven, 301:2/o, a detailed answer of the above problem is given.

Question 550 (Tue Oct 26–Thu Oct 28) Why does Marx say at the end of chapter Five: “hic Rhodus, hic salta”? [2008fa](#), [2007fa](#), [2005fa](#), [2004fa](#), [2003fa](#).

Question 551 (Tue Oct 26–Thu Oct 28) How does Marx come to the conclusion that “capital must originate within circulation and not within it”? How does he resolve this seeming paradox? [2004fa](#), [2003fa](#), [2002fa](#).

Question 552 (Tue Oct 26–Thu Oct 28) “In chapter Five, Marx recognizes that the general laws of the commodity cannot explain $M - C - M'$, therefore he gives up on explaining it and resigns himself to the fact that the concept of value is not the right paradigm to explain capitalism.” Right or wrong?

6. Sale and Purchase of Labor-Power

"The Buying and Selling of Labor-Power" is not a good

translation, because Marx's emphasis is not on the transaction

itself but on the fact that labor-power is a commodity.

6.1. [How to Achieve $M - C - M'$?]

According to the reasoning presented in chapter Five, $M - C - M'$ seems almost impossible to achieve, although we see it happening every day. At the end of chapter Five, Marx concludes that the missing link responsible for the self-expansion of capital must act both inside *and* outside circulation. Marx begins chapter Six with a systematic search for the part of this missing link that takes place in circulation. He examines every phase of the circuit $M - C - M'$ in order to see whether it can be associated with the creation of surplus-value.

Marx begins with the money form, which plays a pivotal role in the movement of capital. Money is the first form of capital 247:2, and it remains an indispensable point of reference in the self-expansion of capital 255:2/o. Nevertheless it is clear that capital must *leave* the money form if it wants to self-expand:

270:1 The change of value, by which money transforms itself into capital, cannot take place as long as it remains in the form of money. As means of purchase and payment, money merely realizes the price of the commodity it buys or pays for, and if it retains the form of money, it petrifies into a mass of value of unchanging magnitude.³⁸

³⁸ 'In the form of money ... capital is productive of no profit' (Ricardo, Principles of Political Economy, p. 267).

↑ It is obvious that the self-expansion does not take place while capital remains in the form of money, or in the transaction in which this money buys a commodity. ↓ One might think that this self-expansion takes place in the second market transaction, in which the commodity is converted back into money, because at this point more money flows back than was advanced as cost. But Marx denies this possibility as well:

Neither can this change originate in the second act of circulation, the resale of the commodity, for this act merely converts the commodity from its bodily form back into its money form.

181:1 Die Wertveränderung des Geldes, das sich in Kapital verwandeln soll, kann nicht an diesem Geld selbst vorgehn, denn als Kaufmittel und als Zahlungsmittel realisiert es nur den Preis der Ware, die es kauft oder zahlt, während es, in seiner eigenen Form verharrend, zum Petrefakt von gleichbleibender Wertgröße erstarrt.³⁸

³⁸ „In der Form von Geld ... erzeugt das Kapital keinen Profit.“ (Ricardo, „Princ. of Pol. Econ.“, p. 267.)

Ebensowenig kann die Veränderung aus dem zweiten Zirkulationsakt, dem Wiederverkauf der Ware, entspringen, denn dieser Akt verwandelt die Ware bloß aus der Naturalform zurück in die Geldform.

↑ The exchange of equivalents is one of the conditions of the search, see 268:4/o.

6.2. [Labor-Power as a Commodity]

Question 554 (Tue Oct 26–Thu Oct 28) In chapter Five, Marx argued that the exchange of nonequivalents must be ruled out as a source of surplus-value. Briefly summarize his argument. [2009fa](#), [2008fa](#), [2007SP](#), [2003fa](#), [2002fa](#).

If the change of value cannot happen when the capital is in money form, and also not in the acts of selling and buying, then the consumption of commodity C is the only possible place where value can change, i.e., where surplus-value can be created. The involvement of consumption would at the same time take us outside the circulation process, as predicted in chapter Five:

The change must therefore take place in the commodity which is bought in the first act of circulation, $M - C$. But its value remains unchanged, because it is equivalents which are being exchanged and the commodity is paid for at its full value. The change can therefore only originate in its use-value as such, i.e. in the consumption of the commodity.

This is again a retrodiction by elimination: There is no other place where the self-expansion of value is possible. By ruling out all other alternatives, the following specific scenario remains as the only possibility to sustain the self-expansion $M - C - M'$.

In order to extract value out of the consumption of a commodity, our friend the money-owner must be lucky enough to find within the sphere of circulation, on the market, a commodity whose use-value possesses the peculiar property of being a source of value, whose actual consumption is therefore itself an objectification of labor, hence a creation of value.

Marx's abstract second-order deliberations lead him therefore to predict that labor-power is a commodity:

And indeed, the money-owner does find such a special commodity on the market: the capacity for labor, in other words labor-power.

Die Veränderung muß sich also zutragen mit der Ware, die im ersten Akt $G - W$ gekauft wird, aber nicht mit ihrem Wert, denn es werden Äquivalente ausgetauscht, die Ware wird zu ihrem Werte bezahlt. Die Veränderung kann also nur entspringen aus ihrem Gebrauchswert als solchem, d.h. aus ihrem Verbrauch.

Um aus dem Verbrauch einer Ware Wert herauszuziehn, müßte unser Geldbesitzer so glücklich sein, innerhalb der Zirkulationsphäre, auf dem Markt, eine Ware zu entdecken, deren Gebrauchswert selbst die eigentümliche Beschaffenheit besäße, Quelle von Wert zu sein, deren wirklicher Verbrauch also selbst Vergegenständlichung von Arbeit wäre, daher Wertschöpfung.

Und der Geldbesitzer findet auf dem Markt eine solche spezifische Ware vor—das Arbeitsvermögen oder die Arbeitskraft.

Question 557 (Tue Oct 26–Thu Oct 28) Is it surprising, in the context of chapter Six, that the money-owner finds a commodity on the market “whose use-value possesses the peculiar property of being a source of value, whose actual consumption is therefore itself an objectification of labor, hence a creation of value”? [2009fa](#), [2007SP](#), [2005fa](#).

The rest of this chapter will discuss the commodity labor-power, and how its value is determined, and chapter Seven will look at the consumption of this labor-power which creates more value than the value that had to be paid for labor-power.

6.2. [Labor-Power as a Commodity]

6. Sale and Purchase of Labor-Power

270:2 We mean by labor-power, or labor-capacity, the aggregate of those mental and physical capabilities existing in the physical body, the living personality, of a human being, capabilities which he sets in motion whenever he produces a use-value of any kind.

This definition of labor-power as the human capacity to perform various kinds of labor is valid in all history. But the expression of this capacity is socially recognized as the value of the product only under commodity production. And even in today's commodity society, not all labor creates value. Homemakers use their labor-power to produce for the family and to bring up children, without this labor being socially recognized in the value of a marketable good.

181:2 Unter Arbeitskraft oder Arbeitsvermögen verstehen wir den Inbegriff der physischen und geistigen Fähigkeiten, die in der Leiblichkeit, der lebendigen Persönlichkeit eines Menschen existieren und die er in Bewegung setzt, sooft er Gebrauchswerte irgendeiner Art produziert.

Exam Question 558 *Chapter Six is not the first place where labor-power is discussed. Where was labor-power introduced first, and which role did it play then? But the discussion of labor-power in chapter Six introduces one fundamental new aspect of it which was not discussed before. What is it?* [2007SP](#), [2005fa](#), [2003fa](#), [2001fa](#), [1999SP](#), [1997WI](#).

Even if labor-power produces value, this does not automatically make labor-power itself a commodity. Labor-power becomes a commodity only under very specific historical conditions. Before listing these conditions, the following clarification is in order: Whenever Marx speaks of labor-power as a commodity, he assumes that not only the worker's ability to work, but also his willingness to work can be bought—so that the consumption of the labor-power by the buyer does not require any other coercion than that given by market forces. The justification for this stronger requirement is that any dependencies between the commodity producers which do not spring from the commodity relation itself are incompatible with the nature of the commodity relation.

The following two sets of conditions, listed by Marx in the remainder of what is called here section 6.2, are necessary for labor-power to be a commodity in the sense that both capability and consent of the laborer can be bought:

- (1) Freedom of the laborer to sell his or her labor-power.
 - (1a) The laborer himself must be the one who sells the labor-power.
 - (1b) The laborer must have free disposal over his or her person.
 - (1c) Since the price of labor-power is to be determined by market forces, seller and buyer of labor-power must be legally equal.
 - (1d) For the freedom and equality of points (1b) and (1c) to endure, the worker must be prevented from selling himself or herself once and for all. The worker can sell himself or herself only temporarily.
- (2) If the laborer were able to sell a finished product instead of her labor-power, she would never sell her labor-power, since it is much more lucrative to sell the finished product. She will therefore only sell her labor-power if she is deprived of the following necessary conditions for doing the production herself:
 - (2a) For any production, the worker needs access to pre-existing products.

6.2. [Labor-Power as a Commodity]

(2b) Workers must have things to consume before producing.

(2c) If the product is a commodity, the producer not only has to wait until it is produced, but until it is sold, before he or she can benefit from the labor in that product.

Marx ends with the remark that conditions (1) and (2) represent the two meanings of free: free to and free from.

After this overview, let us look at Marx's argument in detail. ↓ All conditions for labor-power being a commodity enumerated in the next paragraph fall under point (1):

270:3/o But in order that the owner of money may find labor-power on the market as a commodity, various conditions must first be fulfilled.

↓ (1a) Labor-power must be sold by the laborer himself, because otherwise coercive relations would be necessary that are incompatible with the free exchange of commodities. In and for itself, the exchange of commodities requires that there be no other relations of dependence than those resulting from its own nature. On this presupposition, labor-power can appear on the market as a commodity only if its possessor, the individual whose labor-power it is, is also the one who offers it for sale.

181:3/o Damit jedoch der Geldbesitzer die Arbeitskraft als Ware auf dem Markt vorfinde, müssen verschiedene Bedingungen erfüllt sein.

↓ (1a) Labor-power must be sold by the laborer himself, because otherwise coercive relations would be necessary that are incompatible with the free exchange of commodities. Der Warenaustausch schließt an und für sich keine andren Abhängigkeitsverhältnisse ein als die aus seiner eignen Natur entspringenden. Unter dieser Voraussetzung kann die Arbeitskraft als Ware nur auf dem Markt erscheinen, sofern und weil sie von ihrem eignen Besitzer, der Person, deren Arbeitskraft sie ist, als Ware feilgeboten oder verkauft wird.

Fowkes translates
“Voraussetzung” (presupposition) with “assumption.” This
introduces the epistemic fallacy.

After having clarified that the laborer must be the seller, freedom and equality of the seller on the market become freedom and equality of the laborer: ↓ First (1b), the market freedom of the seller to decide whether or not to sell becomes freedom of the laborer: In order that its possessor may sell it as a commodity, he must have it at his disposal, he must be the free proprietor of his own labor-capacity, i.e., of his person.³⁹

Damit ihr Besitzer sie als Ware verkaufe, muß er über sie verfügen können, also freier Eigentümer seines Arbeitsvermögens, seiner Person sein.³⁹

Note here the distinction between
proprietor and possessor: a slave is
possessor of his labor-power but
not its proprietor.

↑ The above implicitly rules out slave labor as the basis for capitalism because both sale and labor of the slave presuppose direct coercion of the slave. “Accumulation of slaves and land necessitates relations of domination and servitude” (*Contribution*, 366:1). Capital can only then fully develop if all relations that are not based on commodity exchange are removed or, at least, marginalized.

Question 561 (Tue Oct 26–Thu Oct 28) One of the conditions under which the money owner can purchase labor-power in order to do $M - C - M'$ is, according to Marx, that the labor-power must be sold by the worker him- or herself. Why this latter requirement? 2009fa, 2008fa, 2008SP, 2007fa, 2007SP, 2005fa, 2003fa, 2001fa, 1999SP, 1998WI, 1997ut.

6. Sale and Purchase of Labor-Power

↓ Now (1c), equality of buyer and seller:
He and the owner of money meet in the market and enter a relation with each other as equally empowered commodity owners. The only difference between them is that one is a buyer, the other a seller; both are therefore equal in the eyes of the law.

This necessitates (1d), that the sale of labor-power must always sell it only for a limited period, for if he were to sell it in a lump, once and for all, he would be selling himself, converting himself from a free man into a slave, from an owner of a commodity into a commodity. He must continually treat his labor-power as his own property, his own commodity, and he can do this only by placing it at the disposal of the buyer only temporarily, i.e. by handing it over to the buyer for him to consume only for a specific period of time. The alienation of his labor-power must not be the renunciation of his rights of ownership over it.⁴⁰

The state intervenes here and regulates the sale and purchase of labor-power by law, so that the worker's dependence on the sale of his or her labor-power does not lead to the sale of labor-power once and for all:

⁴⁰ Hence legislation in various countries fixes a maximum length for labor contracts. Wherever free labor is the rule, the law regulates the conditions for terminating this contract.

The rest of the footnote, which is not reproduced here, discusses "hidden forms of slavery."

Er und der Geldbesitzer begegnen sich auf dem Markt und treten in Verhältnis zueinander als ebenbürtige Warenbesitzer, nur dadurch unterschieden, daß der eine Käufer, der andre Verkäufer, beide also juristisch gleiche Personen sind.

power must always be only temporary:
Die Fortdauer dieses Verhältnisses erheischt, daß der Eigentümer der Arbeitskraft sie stets nur für bestimmte Zeit verkaufe, denn verkauft er sie in Bausch und Bogen, ein für allemal, so verkauft er sich selbst, verwandelt sich aus einem Freien in einen Sklaven, aus einem Warenbesitzer in eine Ware. Er als Person muß sich beständig zu seiner Arbeitskraft als seinem Eigentum und daher seiner eignen Ware verhalten, und das kann er nur, soweit er sie dem Käufer stets nur vorübergehend, für einen bestimmten Zeittermin, zur Verfügung stellt, zum Verbrauch überläßt, also durch ihre Veräußerung nicht auf sein Eigentum an ihr verzichtet.⁴⁰

⁴⁰ Verschiedne Gesetzgebungen setzen daher ein Maximum für den Arbeitskontrakt fest. Alle Gesetzbücher bei Völkern freier Arbeit regeln Kündigungsbedingungen des Kontrakts.

Question 562 (Tue Oct 26–Thu Oct 28) Why are the conditions for terminating employment regulated by law instead of being left to the free market? Does this mean that the state protects the workers against the capitalists? [2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#), [1999SP](#), [1997ut](#), [1997WI](#).

Question 565 (Tue Oct 26–Thu Oct 28) The purchase of slaves and sale of their product is the purchase of a commodity which has the use-value of creating more value than it contains. Why is capitalism not based on slavery? [2008fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#), [1999SP](#), [1997ut](#), [1997sp](#), [1997WI](#).

Now Argument (2), the laborer must be forced to sell his or her labor-power instead of selling his or her product. Marx tacitly uses here an argument which will explicitly be made only later in this chapter: selling a commodity produced by the labor-power would be much more lucrative than selling the labor-power itself, since the seller would get reimbursed for all the labor in the product instead of only the value of his or her labor-power.

6.2. [Labor-Power as a Commodity]

272:1 The second essential condition which allows the money owner to find labor-power in the market as a commodity is this, that the owner of labor-power, instead of being able to sell commodities in which his labor has been objectified, must rather be compelled to offer for sale as a commodity that very labor-power which exists only in his living body.

“Possessor” is a more precise translation of “*Besitzer*” than “owner.” However Marx is apparently not distinguishing here

183:1 Die zweite wesentliche Bedingung, damit der Geldbesitzer die Arbeitskraft auf dem Markt als Ware vorfinde, ist die, daß ihr Besitzer, statt Waren verkaufen zu können, worin sich seine Arbeit vergegenständlicht hat, vielmehr seine Arbeitskraft selbst, die nur in seiner lebendigen Leiblichkeit existiert, als Ware feilbieten muß.

between possession and ownership; in colloquial German, “*Besitzer*” is often used to mean “owner.” Fowkes is therefore right

to translate, in the above sentence, Marx’s “*Geldbesitzer*” as “owner of money.”

Marx gives now a counterfactual argument, enumerating all the things which would be necessary for the worker to sell a product instead of labor: (2a) For production, pre-existing products are necessary:

272:2 In order that a man may be able to sell commodities other than his labor-power, he must of course possess means of production, such as raw materials, instruments of labor, etc. No boots can be made without leather.

(2b) ↓ The laborer needs to consume before He requires also the means of subsistence. Nobody, not even a builder of castles in the air, can live on the products of the future, or on use-values whose production has not yet been completed; just as on the first day of his appearance on the world’s stage, man must still consume every day, before and while he produces.

(2c) ↓ If the product is a commodity, then not only its production time but also its circulation time must be bridged by the consumption of pre-existing products. If products are produced as commodities, they must be sold after they have been produced and they can only satisfy the producer’s needs after they have been sold. The time necessary for sale must be added to the time of production.

↓ If the worker lacks the above, then he or she cannot sell products but must sell labor-power. This lack is again freedom—not “freedom to,” as in condition (1a), but “freedom from.”

272:3/o For the transformation of money into capital, therefore, the owner of money must find the free worker available on the commodity-market; and this worker must be free in the double sense that as a free indi-

183:2 Damit jemand von seiner Arbeitskraft unterschiedne Waren verkaufe, muß er natürlich Produktionsmittel besitzen, z.B. Rohstoffe, Arbeitsinstrumente usw. Er kann keine Stiefel machen ohne Leder.

and during production:

Er bedarf außerdem Lebensmittel. Niemand, selbst kein Zukunftsmusikant, kann von Produkten der Zukunft zehren, also auch nicht von Gebrauchswerten, deren Produktion noch unfertig, und wie am ersten Tage seiner Erscheinung auf der Erdbühne, muß der Mensch noch jeden Tag konsumieren, bevor und während er produziert.

Werden die Produkte als Waren produziert, so müssen sie verkauft werden, nachdem sie produziert sind, und können die Bedürfnisse des Produzenten erst nach dem Verkauf befriedigen. Zur Produktionszeit kommt die für den Verkauf nötige Zeit hinzu.

183:3 Zur Verwandlung von Geld in Kapital muß der Geldbesitzer also den freien Arbeiter auf dem Warenmarkt vorfinden, frei in dem Doppelsinn, daß er als freie Person über seine Arbeitskraft als seine Wa-

6. Sale and Purchase of Labor-Power

vidual he can dispose of his labor-power as his own commodity, and that, on the other hand, he has no other commodity for sale, i.e. he is rid of them, he is free of all the objects needed for the realization of his labor-power.

re verfügt, daß er anderseits andre Waren nicht zu verkaufen hat, los und ledig, frei ist von allen zur Verwirklichung seiner Arbeitskraft nötigen Sachen.

Question 568 (Tue Oct 26–Thu Oct 28) a. What is labor-power?

b. Which conditions must be met for labor-power to be a commodity sold by the laborer him- or herself?

c. Which historical developments must therefore have taken place before the beginning of capitalism? 2005fa, 2003fa, 2002fa, 2001fa, 1999SP, 1997sp, 1997WI.

Question 569 (Tue Oct 26–Thu Oct 28) Which two sets of conditions must be satisfied for labor-power to be a commodity? 2009fa, 2008fa, 2008SP, 2007fa, 2007SP, 2005fa, 2004fa, 2003fa, 2002fa, 1998WI, 1996sp.

6.3. [Historical Preconditions of Economic Forms]

273:1 Why this free worker confronts him in the sphere of circulation is a question which does not interest the owner of money, for he finds the labor market in existence as a particular branch of the commodity market. And for the present it interests us just as little. We take this fact for granted theoretically, as he does practically.

Due to its qualities, labor-power stands out against all the other commodities like a single black sheep against a herd of white sheep. This throws up two questions, one historical, the other logical. The *historical* question is: under which conditions did this black sheep arise? The *logical* question is: are there some deeper reasons why money bags, whose appetite has been whetted by the abstract and one-dimensional nature of monetary wealth, is so lucky to find on the market exactly that commodity labor-power which allows him to fulfill his dreams of enrichment?

It is not clear whether Marx's question "why the free worker confronts the money owner in the sphere of circulation" refers to the historical or the logical dimension. If it is the historical question, the answer can be found in the chapters on "primitive accumulation" at the end of *Capital I*, which describe the forcible expropriation of the direct producers. If it is the logical question, an answer would require an investigation of the anatomy of the black sheep, i.e., of the relationship between labor-power, the ordinary commodities, money, and capital.

The black sheep has intricate connections with the white sheep: "Only when and where wage labor is its basis does commodity production impose itself upon the whole society" (*Capital I*, 733:4/o; similar remarks e.g. in *Resultate*). It is therefore not an extraneous accident or even an adulteration of commodity circulation that the black sheep labor-power runs around among the ordinary commodities. Nevertheless, Marx does not give a derivation of the commodity labor-power in *Capital* comparable to his derivation of capital progressing

183:4 Die Frage, warum dieser freie Arbeiter ihm in der Zirkulationsphäre gegenübertritt, interessiert den Geldbesitzer nicht, der den Arbeitsmarkt als eine besondere Abteilung des Warenmarkts vorfindet. Und einstweilen interessiert sie uns ebensowenig. Wir halten theoretisch an der Tatsache fest, wie der Geldbesitzer praktisch.

6.3. [History and Economy]

from value to money and on to capital. However in *Grundrisse*, elements of a parallel progression, from use-value to the commodity to wage labor, can be found. Marx compares the relation between use-value and exchange-value in the pair commodity–money and in the pair wage labor–capital (266:1–273).

Why not in *Capital*? Perhaps Marx changed his mind about the merits of reducing everything to the basic contradiction between use-value and value. Another possibility would be that Marx did not think that such a derivation belonged into *Capital*. Perhaps he wanted to include it into the book about wage labor, which Marx had planned to write. (He refers to it in chapter Twenty, p. 683:1. However there is a hot debate whether Marx really wanted to write a book about wage labor.)

The phrase “we take this fact for granted theoretically” might therefore mean that Marx postpones this part of the derivation, since it belongs into the book on wage labor and would lead us too far afield. Just as the capitalist can make his profits without knowing why he finds labor-power on the market, so can we gain an understanding of the capital relation even if some foundational issues regarding the wage labor remain unresolved. A similar argument is also made in 710:2.

Question 573 (Tue Oct 26–Thu Oct 28) *Why does the money-owner find wage-labor on the market—exactly the commodity he needs to become a capitalist?* 2007SP, 2005fa, 2004fa.

↓ The discussion which follows now does *not* tell us why labor-power has become a commodity, but remarks in general that such things do not happen naturally but have their specific historical conditions:

One thing, however, is clear: nature does not produce owners of money or commodities on the one side, and men possessing nothing but their own labor-power on the other. This relation has no basis in natural history, nor is it a social relation common to all periods of human history. It is obviously the result of a past historical development, the product of many economic revolutions, of the demise of a whole series of older formations of social production.

Eins jedoch ist klar. Die Natur produziert nicht auf der einen Seite Geld- oder Warenbesitzer und auf der andren bloße Besitzer der eignen Arbeitskräfte. Dies Verhältnis ist kein naturgeschichtliches und ebensowenig ein gesellschaftliches, das allen Geschichtsperioden gemein wäre. Es ist offenbar selbst das Resultat einer vorhergegangenen historischen Entwicklung, das Produkt vieler ökonomischen Umwälzungen, des Untergangs einer ganzen Reihe älterer Formationen der gesellschaftlichen Produktion.

Question 575 (Tue Oct 26–Thu Oct 28) *Why is the wage labor relation the result of the demise of older formations of social production, and not the result of these formations themselves? (What is the difference anyway?)*

Labor-power is not unique in this respect. ↓ Also the other economic categories bear the stamp of history.

273:2 The economic categories which we discussed earlier bear a historical imprint as well.

183:5/o Auch die ökonomischen Kategorien, die wir früher betrachtet, tragen ihre geschichtliche Spur.

Marx gives now the historical conditions for the emergence of commodity and money, and then contrasts this with the historical conditions of capital. Regarding the commodity,

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Marx asks two questions: what are the conditions for *some* of the products to be produced as commodities, and what are the conditions for the *overwhelming majority* of products to be produced as commodities?

Specific historical conditions must be satisfied for the existence of commodities. In order to become a commodity, the product must not be produced as the immediate means of subsistence of the producer himself. Had we gone further, and inquired under what circumstances all, or even the majority of products take the form of commodities, we should have found that this happens only on the basis of one particular mode of production, the capitalist one. Such an investigation, however, would have been foreign to the analysis of commodities. Production and circulation of commodities can take place even if the great mass of the objects produced are intended for the immediate needs of their producers, and are not turned into commodities, so that the process of social production is by far not dominated in its length and breadth by exchange-value.

Im Dasein des Produkts als Ware sind bestimmte historische Bedingungen eingehüllt. Um Ware zu werden, darf das Produkt nicht als unmittelbares Subsistenzmittel für den Produzenten selbst produziert werden. Hätten wir weiter geforscht: Unter welchen Umständen nehmen alle oder nimmt auch nur die Mehrzahl der Produkte die Form der Ware an, so hätte sich gefunden, daß dies nur auf Grundlage einer ganz spezifischen, der kapitalistischen Produktionsweise, geschieht. Eine solche Untersuchung lag jedoch der Analyse der Ware fern. Warenproduktion und Warenzirkulation können stattfinden, obgleich die weit überwiegende Produktenmasse, unmittelbar auf den Selbstbedarf gerichtet, sich nicht in Ware verwandelt, der gesellschaftliche Produktionsprozeß also noch lange nicht in seiner ganzen Breite und Tiefe vom Tauschwert beherrscht ist.

↑ The question under what conditions all or most products become commodities has not yet come up, because commodities can also exist in a society in which most products are produced for home consumption. ↓ The conditions necessary for at least *some* products to become commodities have been discussed in more detail in chapter Two, 181:3/o.

The conversion of the product into a commodity requires a level of development of the division of labor within society such that the separation of use-value from exchange-value, a separation which first begins with barter, has already been completed. But such a degree of development is common to many economic formations of society, with the most diverse historical characteristics.

Die Darstellung des Produkts als Ware bedingt eine so weit entwickelte Teilung der Arbeit innerhalb der Gesellschaft, daß die Scheidung zwischen Gebrauchswert und Tauschwert, die im unmittelbaren Tauschhandel erst beginnt, bereits vollzogen ist. Eine solche Entwicklungsstufe ist aber den geschichtlich verschiedensten ökonomischen Gesellschaftsformationen gemein.

Question 576 (Tue Oct 26–Thu Oct 28) Which historical conditions must be satisfied that some products can take the form of commodities? 2008fa, 2003fa, 2002fa.

Question 578 (Tue Oct 26–Thu Oct 28) Which historical conditions must be satisfied that all or at least a majority of the products can take the form of commodities? 2003fa.

After the conditions for commodity production now the conditions for money.

273:3/o If we go on to consider money, its existence requires that the development of commodity exchange has reached a cer-

184:1 Oder betrachten wir das Geld, so setzt es eine gewisse Höhe des Warenaustausches voraus. Die besondren Geldfor-

6.3. [History and Economy]

tain height. The various forms of money (money as the mere equivalent of commodities, money as means of circulation, money as means of payment, money as hoard, or money as world money) are evidence of very different levels of the process of social production, according to the extent and relative preponderance of one function or the other. Yet experience shows that a relatively feeble development of commodity circulation suffices for the creation of all these forms.

Commodity production must have reached a certain height for money to exist. The question “which height” depends on the form of money whose existence is to be explained. The development of the various forms of money follows the development of commodity production so closely that the forms of money can be used as historical or archeological evidence for these forms of commerce. Overall, the required level of development for all these forms is “relatively feeble.”

The conditions for the emergence of capital are different than those discussed so far:

Not so with capital. The historical conditions of its existence are by no means fulfilled with the mere circulation of money and commodities. Capital only arises when the owner of the means of production and subsistence finds the free worker selling his own labor-power on the market. This one historical precondition comprises a world’s history. Capital, therefore, ushers in from the outset a new epoch in the process of social production.⁴¹

Question 579 (Tue Oct 26–Thu Oct 28) What does Marx mean by: “Capital ushers in a new epoch in the process of social production,” and how does capital do this? [2008SP](#), [2004fa](#), [1997WI](#), [1996ut](#).

⁴¹ The capitalist epoch is therefore characterized by the fact that labor-power, for the worker himself, takes on the form of a commodity which is his property—and thus his labor takes on the form of wage labor. On the other hand, it is only from this moment that the products of labor generally take the form of commodities.

Moore Aveling has: in the eyes of the laborer himself, which is wrong. It is not a matter of how he perceives it, the laborer will often not even be aware that he is selling

his labor-power and not his labor. It is a matter of whether it is a commodity for the laborer, i.e., whether the laborer himself is the one who has the authority to buy

men, bloßes Warenäquivalent oder Zirkulationsmittel oder Zahlungsmittel, Schatz und Weltgold, deuten, je nach dem verschiedenen Umfang und dem relativen Vorwiegen einer oder der andren Funktion, auf sehr verschiedene Stufen des gesellschaftlichen Produktionsprozesses. Dennoch genügt erfahrungsmäßig eine relativ schwach entwickelte Warenzirkulation zur Bildung aller dieser Formen.

Anders mit dem Kapital. Seine historischen Existenzbedingungen sind durchaus nicht da mit der Waren- und Geldzirkulation. Es entsteht nur, wo der Besitzer von Produktions- und Lebensmitteln den freien Arbeiter als Verkäufer seiner Arbeitskraft auf dem Markt vorfindet, und diese eine historische Bedingung umschließt eine Weltgeschichte. Das Kapital kündigt daher von vornherein eine Epoche des gesellschaftlichen Produktionsprozesses an.⁴¹

⁴¹ Was also die kapitalistische Epoche charakterisiert, ist, daß die Arbeitskraft für den Arbeiter selbst die Form einer ihm gehörigen Ware, seine Arbeit daher die Form der Lohnarbeit erhält. Andrerseits verallgemeinert sich erst von diesem Augenblick die Warenform der Arbeitsprodukte.

and sell this commodity (his own labor-power). French edition has it right: pour le travailleur lui-même.

Money develops wherever there are commodities, but capital, by contrast, does not immediately follow from the existence of commodities and money. It depends on the availability

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of labor-power as a commodity, which is a very basic relation of production. Marx writes “capital ushers in a new epoch in the process of social production” because the development of capital will lead to epochal changes, and it does so “from the outset” because one can see this from a very basic first logical facts about it, namely, from its dependence on wage labor.

Question 581 (*Tue Oct 26–Thu Oct 28*) *What are the historical conditions for commodity production, what are those for the development of money, and what are those for the development of capital?* [2007SP](#), [1999SP](#), [1998WI](#).

6.4. [Value of Labor-Power]

274:1 This peculiar commodity, labor-power, must now be examined more closely. Like all other commodities it has a value.⁴²

↓ The question: “how is this value determined?” is short for: “how is the magnitude of this value determined?”

How is that value determined?

↓ One might think the value of labor-power is the same as the value created by labor-power. This is wrong. In order to determine the value of labor-power, we must forget the value-creating capabilities which make labor-power a special commodity. We must simply apply the general laws of the commodity developed earlier.

274:2/o The value of labor-power is determined, as in the case of every other commodity, by the labor-time necessary for the production, and consequently also the reproduction, of this specific article.

Just as with every other commodity, we must look at the labor materialized in labor-power in abstraction from the use-value of labor-power.

In so far as it is value, labor-power itself represents nothing other than a definite quantity of the average social labor objectified in it.

↓ Now Marx discusses the labor objectified Labor-power exists only as a capacity of the living individual. Its production consequently presupposes his existence. Given the existence of the individual, the production of labor-power consists in his own reproduction or maintenance. For his maintenance he requires a certain quantity of means of subsistence. Therefore the labor-time necessary for the production of labor-power resolves itself into that necessary for the production of those means of subsistence; in other words, the value of labor-power is the value of the means of subsis-

184:2 Diese eigentümliche Ware, die Arbeitskraft, ist nun näher zu betrachten. Gleich allen andren Waren besitzt sie einen Wert.⁴²

Wie wird er bestimmt?

↓ One might think the value of labor-power is the same as the value created by labor-power. This is wrong. In order to determine the value of labor-power, we must forget the value-creating capabilities which make labor-power a special commodity. We must simply apply the general laws of the commodity developed earlier.

184:3/o Der Wert der Arbeitskraft, gleich dem jeder andren Ware, ist bestimmt durch die zur Produktion, also auch Reproduktion, dieses spezifischen Artikels notwendige Arbeitszeit.

Soweit sie Wert, repräsentiert die Arbeitskraft selbst nur ein bestimmtes Quantum in ihr vergegenständlichter gesellschaftlicher Durchschnittsarbeitszeit.

in labor-power:

Die Arbeitskraft existiert nur als Anlage des lebendigen Individuums. Ihre Produktion setzt also seine Existenz voraus. Die Existenz des Individuums gegeben, besteht die Produktion der Arbeitskraft in seiner eigenen Reproduktion oder Erhaltung. Zu seiner Erhaltung bedarf das lebendige Individuum einer gewissen Summe von Lebensmitteln. Die zur Produktion der Arbeitskraft notwendige Arbeitszeit löst sich also auf in die zur Produktion dieser Lebensmittel notwendige Arbeitszeit, oder der Wert der Arbeitskraft ist der Wert der zur Erhaltung ihres Besit-

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tence necessary for the maintenance of the owner of the labor-power.

↑ The reproduction of labor-power also requires a lot of living labor: cooking, cleaning, raising children, etc. This labor is not reflected in the value of labor-power. Only the worker's expenses are counted here. ↓ This definition will now be filled out with more precise specifications of how much consumption is necessary for the preservation of its owner. Marx gives five such additional details. The first specification ties into the sentence "labor-power exists only as a capacity of the living individual." Mere existence is not enough, labor-power must also be actualized:

However, labor-power becomes actuality only by being applied; it is activated only through labor. In the course of this activation, which is labor, a certain quantity of human muscle, nerve, brain, etc. is expended, and these things must be replaced. If more is expended, more must be received.⁴³

The formulation of the first of these specifications is very terse. But footnote 43 gives the required clarification: harder workers need more food, therefore higher wages.

⁴³ In ancient Rome, therefore, the *villicus*, as the overseer of the agricultural slaves, received 'more meagre fare than working slaves, because his work was lighter' (T. Mommsen, *Römische Geschichte*, 1856, p. 810).

Second specification: maintenance of labor-power is a continuous and cumulative process in which the worker must not fall behind:

After having worked today, the owner of labor-power must be able to repeat the same process tomorrow in the same conditions as regards health and strength. His means of subsistence must therefore be sufficient to maintain him in his normal state as a working individual.

This will be amended by the fourth specification below, see 276:3/o.

Third: the needs may vary according to the climate, and are also determined by culture and past class struggles:

His natural needs, such as food, clothing, fuel and housing, vary according to the climatic and other physical peculiarities of his country. On the other hand, the number and extent of his so-called necessary requirements, as also the manner in which they are satisfied, are themselves products of history, and depend therefore to a great extent on the level of civilization attained by a country; in particular they depend on the conditions in which, and consequently on the habits and

zers notwendigen Lebensmittel.

Die Arbeitskraft verwirklicht sich jedoch nur durch ihre Äußerung, betätigt sich nur in der Arbeit. Durch ihre Betätigung, die Arbeit, wird aber ein bestimmtes Quantum von menschlichem Muskel, Nerv, Hirn usw. verausgabt, das wieder ersetzt werden muß. Diese vermehrte Ausgabe bedingt eine vermehrte Einnahme.⁴³

⁴³ Der altrömische *villicus*, als Wirtschafter an der Spitze der Ackerbausklavengesellschaften, empfing daher, „weil er leichtere Arbeit hat als die Knechte, knapperes Maß als diese“. (Th. Mommsen, „Röm. Geschichte“, 1856, p. 810.)

Wenn der Eigentümer der Arbeitskraft heute gearbeitet hat, muß er denselben Prozeß morgen unter denselben Bedingungen von Kraft und Gesundheit wiederholen können. Die Summe der Lebensmittel muß also hinreichen, das arbeitende Individuum als arbeitendes Individuum in seinem normalen Lebenszustand zu erhalten.

Die natürlichen Bedürfnisse selbst, wie Nahrung, Kleidung, Heizung, Wohnung usw., sind verschieden je nach den klimatischen und andren natürlichen Eigentümlichkeiten eines Landes. Andrerseits ist der Umfang sog. notwendiger Bedürfnisse, wie die Art ihrer Befriedigung, selbst ein historisches Produkt und hängt daher großen Teils von der Kulturstufe eines Landes, unter andrem auch wesentlich davon ab, unter welchen Bedingungen, und daher mit wel-

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expectations with which, the class of free workers has been formed.⁴⁴

Footnote 44 is a reference to [Tho46].

In contrast, therefore, with other commodities, the determination of the value of labor-power contains a historical and moral element. Nevertheless, in a given country at a given period, the average amount of the means of subsistence necessary for the worker is a known datum.

At Marx's time, the word "moral" was often used for something nonphysical. For instance, Marx calls technical obsolescence of means of production "moral depreciation." The last sentence says that such variations have no bearing as long as one looks at one country during one period only.

Question 584 (*Tue Oct 26–Thu Oct 28*) *How is the value of labor-power determined? Explain what it means that "the determination of the value of labor-power contains a historical and moral element." What does the word "moral" mean here? Doesn't Marx imply with this that the value of labor-power can be just about anything? Is there any scientific insight in this?* [2008fa](#), [2005fa](#), [1996sp](#).

The fourth specific point amends the second: value of labor-power must be sufficient not only to allow the worker to reproduce himself, but also for his offspring.

275:1 The owner of labor-power is mortal. If then his appearance in the market is to be continuous, and the continuous transformation of money into capital assumes this, the seller of labor-power must perpetuate himself 'in the way that every living individual perpetuates himself, by procreation'.⁴⁵ The labor-power removed from the market by wear and tear, and by death, must be continually replaced by, at the very least, an equal amount of fresh labor-power. Hence the sum of means of subsistence necessary for the production of labor-power must include the means necessary for the worker's replacements, i.e. his children, in order that this race of peculiar commodity-owners may perpetuate its presence on the market.⁴⁶

⁴⁶ 'Its' (labor's) 'natural price ... consists in such a quantity of necessaries and comforts of life, as, from the nature of the climate, and the habits of the country, are necessary to support the laborer, and to enable him to rear such a family as may preserve, in the market, an undiminished

chen Gewohnheiten und Lebensansprüchen die Klasse der freien Arbeiter sich gebildet hat.⁴⁴

Im Gegensatz zu den andren Waren enthält also die Wertbestimmung der Arbeitskraft ein historisches und moralisches Element. Für ein bestimmtes Land, zu einer bestimmten Periode jedoch, ist der Durchschnitts-Umkreis der notwendigen Lebensmittel gegeben.

185:1/o Der Eigentümer der Arbeitskraft ist sterblich. Soll also seine Erscheinung auf dem Markt eine kontinuierliche sein, wie die kontinuierliche Verwandlung von Geld in Kapital voraussetzt, so muß der Verkäufer der Arbeitskraft sich verewigen, „wie jedes lebendige Individuum sich verewigt, durch Fortpflanzung“⁴⁵. Die durch Abnutzung und Tod dem Markt entzogenen Arbeitskräfte müssen zum allermindesten durch eine gleiche Zahl neuer Arbeitskräfte beständig ersetzt werden. Die Summe der zur Produktion der Arbeitskraft notwendigen Lebensmittel schließt also die Lebensmittel der Ersatzmänner ein, d.h. der Kinder der Arbeiter, so daß sich diese Race eigentümlicher Warenbesitzer auf dem Warenmarkt verewigt.⁴⁶

⁴⁶ „Ihr“ (der Arbeit) „natürlicher Preis ... besteht in einer solchen Menge von Subsistenzmitteln und Dingen der Bequemlichkeit, wie sie entsprechend dem Klima und den Gewohnheiten eines Landes notwendig sind, um den Arbeiter zu erhalten und es ihm zu ermöglichen, eine Familie

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supply of labor' (R. Torrens, *An Essay on the External Corn Trade*, London, 1815, p. 62). The word labor is here wrongly used for labor-power.

Young workers without family often do not realize how low their wage really is, because they have lower expenses than workers with families.

The fifth point is important as well: the cost of schooling enters the value of labor-power.

275:2/o In order to modify the general nature of the human organism in such a way that it acquires skill and dexterity in a given branch of industry, and becomes labor-power of a developed and specific kind, a special education or training is needed, and this in turn costs an equivalent in commodities of a greater or lesser amount. The costs of education vary according to the degree of complexity of the labor-power required. These expenses (exceedingly small in the case of ordinary labor-power) form a part of the total value spent in producing it.

Marx's sixth point is an important implication of the indirect method of determining the magnitude of value: the value of labor-power is variable.

276:1 The value of labor-power can be resolved into the value of a definite quantity of the means of subsistence. It therefore varies with the value of the means of subsistence, i.e. with the quantity of labor-time required to produce them.

The value of labor-power is therefore determined by many different factors. These factors also have different time dimensions, which requires that the value of a day's labor-power is determined by an averaging method.

276:2 A part of the means of subsistence, such as food and fuel, are consumed every day, and must therefore be replaced every day. Others, such as clothes and furniture, last for longer periods and need to be replaced only at longer intervals. Some articles must be bought or paid for every day, others every week, others every quarter and so on. But in whatever way the sum total of these outlays may be spread out over the year, they must be covered by the average daily income. If the total of the commodities required every day for the production of labor-power = A , and of those required every week = B , and of those required every

aufzuziehen, die auf dem Markt ein unverminderteres Angebot von Arbeit zu sichern vermag.“ (R. Torrens, „An Essay on the external Corn Trade“, London 1815, p. 62.) Das Wort Arbeit steht hier fälschlich für Arbeitskraft.

186:1 Um die allgemein menschliche Natur so zu modifizieren, daß sie Geschick und Fertigkeit in einem bestimmten Arbeitszweig erlangt, entwickelte und spezifische Arbeitskraft wird, bedarf es einer bestimmten Bildung oder Erziehung, welche ihrerseits eine größere oder geringere Summe von Warenäquivalenten kostet. Je nach dem mehr oder minder vermittelten Charakter der Arbeitskraft sind ihre Bildungskosten verschieden. Diese Erlernungskosten, verschwindend klein für die gewöhnliche Arbeitskraft, gehn also ein in den Umkreis der zu ihrer Produktion verausgabten Werte.

186:2 Der Wert der Arbeitskraft löst sich auf in den Wert einer bestimmten Summe von Lebensmitteln. Er wechselt daher auch mit dem Wert dieser Lebensmittel, d.h. der Größe der zu ihrer Produktion erheischten Arbeitszeit.

186:3/o Ein Teil der Lebensmittel, z.B. Nahrungsmittel, Heizungsmittel usw., werden täglich neu verzehrt und müssen täglich neu ersetzt werden. Andre Lebensmittel, wie Kleider, Möbel usw., verbrauchen sich in längeren Zeiträumen und sind daher nur in längeren Zeiträumen zu ersetzen. Waren einer Art müssen täglich, andre wöchentlich, vierteljährlich usf. gekauft oder gezahlt werden. Wie sich die Summe dieser Ausgaben aber immer während eines Jahres z.B. verteilen möge, sie muß gedeckt sein durch die Durchschnittseinnahme tagein, tagaus. Wäre die Masse der täglich zur Produktion der Arbeitskraft erheischten Waren = A ,

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quarter = C , and so on, the daily average of these commodities = $\frac{365A+52B+4C+\dots}{365}$. Assuming that this mass of commodities required for the average day contains 6 hours of social labor, then during every day, half a day of average social labor is objectified in labor-power. In other words, half a day of labor is required to produce labor-power for one day. This quantity of labor constituted the value of a day's labor-power, or the value of the labor-power reproduced every day. If half a day of average social labor is also represented in a mass of gold amounting to 3 shillings, then 3 shillings is the price which corresponds to the value of a day's labor-power. If its owner therefore offers it for sale at 3 shillings a day, its selling price is equal to its value, and according to our original assumption, the owner of money, who is intent on transforming his 3 shillings into capital, pays this value.

die der wöchentlich erheischten = B , die der vierteljährlich erheischten = C usw., so wäre der tägliche Durchschnitt dieser Waren = $\frac{365A+52B+4C+\text{usw.}}{365}$. Gesetzt, in dieser für den Durchschnittstag nötigen Warenmasse steckten 6 Stunden gesellschaftlicher Arbeit, so vergegenständlicht sich in der Arbeitskraft täglich ein halber Tag gesellschaftlicher Durchschnittsarbeitszeit, oder ein halber Arbeitstag ist zur täglichen Produktion der Arbeitskraft erheischt. Dies zu ihrer täglichen Produktion erheischt Arbeitsquantum bildet den Tageswert der Arbeitskraft oder den Wert der täglich reproduzierten Arbeitskraft. Wenn sich ein halber Tag gesellschaftlicher Durchschnittsarbeitszeit ebenfalls in einer Goldmasse von 3 sh. oder einem Taler darstellt, so ist ein Taler der dem Tageswert der Arbeitskraft entsprechende Preis. Bietet der Besitzer der Arbeitskraft sie feil für einen Taler täglich, so ist ihr Verkaufspreis gleich ihrem Wert und, nach unserer Voraussetzung, zahlt der auf Verwandlung seiner Taler in Kapital erpichte Geldbesitzer diesen Wert.

In this calculation, Marx assumes (without saying so explicitly) that a normal working day is 12 hours long. 6 hours of social labor are objectified in the means of consumption necessary to maintain labor-power for one day, and these 6 hours are represented by 3 shillings. A wage of 3 shillings represents therefore only half a day's labor. Although the worker must work a full day to get a wage representing only half a day's labor, he is selling his labor-power at its value and not below its value.

↑ This completes the calculation of the value. We have seen that the value of labor-power is conditional and variable and depends on complex calculations which may not have a unique determinate outcome. ↓ But the range of this indeterminacy and variability is constrained by what Marx calls the *minimum limit* of this value.

276:3/o The ultimate or minimum limit of the value of labor-power is formed by the value of the commodities which have to be supplied every day to the bearer of labor-power, to the human, so that he can renew his life-process. That is to say, the limit is formed by the value of the physically indispensable means of subsistence. If the price of labor-power falls to this minimum, it falls below its value, since under such circumstances it can be maintained and developed only in a crippled state, and the

187:1 Die letzte Grenze oder Minimalgrenze des Werts der Arbeitskraft wird gebildet durch den Wert einer Warenmasse, ohne deren tägliche Zufuhr der Träger der Arbeitskraft, der Mensch, seinen Lebensprozeß nicht erneuern kann, also durch den Wert der physisch unentbehrlichen Lebensmittel. Sinkt der Preis der Arbeitskraft auf dieses Minimum, so sinkt er unter ihren Wert, denn sie kann sich so nur in verkümmter Form erhalten und entwickeln. Der Wert jeder Ware ist aber be-

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value of every commodity is determined by the labor-time required to provide it in its normal quality.

stimmt durch die Arbeitszeit, erfordert, um sie in normaler Güte zu liefern.

The *price* of labor-power cannot fall below this limit but it can hover at this limit. In this situation, however, the price is below the value. A wage which meets only the survival needs of the laborer is a wage below the value of labor-power. The capitalists nevertheless have the incentive to depress wages to this minimum limit, since this is the minimum wage which allows the worker to show up for work. Laborers are often forced to accept such a wage, but since this wage is below the value of labor-power, the market is on their side when they fight to restore the wages to the value of labor-power. This is one of the reasons why, as Marx says in *Value, Price and Profit*, p. [mecw20]148:2, “the necessity of debating their price with the capitalist is inherent to their condition of having to sell themselves as commodities.”

Question 589 (Tue Oct 26–Thu Oct 28) *Marx says elsewhere that labor unions are necessary for workers to be able to receive a wage which corresponds to the value of their labor-power and is not below it. Can you bring arguments from chapter Six to support this? 2005fa, 1997WI.*

Question 590 (Tue Oct 26–Thu Oct 28) *How is the magnitude of the value of labor-power determined? Be very specific about the different factors that must be taken into consideration. How does this determination differ from that of the value of other commodities? 2007SP, 1998WI, 1997WI, 1996ut.*

Marx’s distinction between the value created by labor and the value of labor-power draws a sharp dividing line between labor and labor-power. Now one might argue that these two cannot really be separated, that one cannot exist without the other, and that therefore any theoretical categories based on their difference are mere mental constructs without significance in the real world. Marx concludes his discussion of the value of labor-power with a paragraph addressing this objection:

277:1 It is an extraordinarily cheap kind of sentimentality which declares that this method of determining the value of labor-power, a method prescribed by the very nature of the case, is brutal, and which laments with Rossi in this matter:

187:2–4 Es ist eine außerordentlich wohlfeile Sentimentalität, diese aus der Natur der Sache fließende Wertbestimmung der Arbeitskraft grob zu finden und etwa mit Rossi zu jammern:

To conceive capacity for labor in abstraction from the workers’ means of subsistence during the production process is to conceive a phantom. When we speak of labor, or capacity for labor, we speak at the same time of the worker and his means of subsistence, of the worker and his wages.⁴⁷

„Das Arbeitsvermögen (puissance de travail) begreifen, während man von den Subsistenzmitteln der Arbeit während des Produktionsprozesses abstrahiert, heißt ein Hirngespinst (être de raison) begreifen. Wer Arbeit sagt, wer Arbeitsvermögen sagt, sagt zugleich Arbeiter und Subsistenzmittel, Arbeiter und Arbeitslohn.“⁴⁷

⁴⁷ [Ros43, p. 370, 371]

⁴⁷ [Ros43, p. 370, 371]

When we speak of capacity for labor, we do not speak of labor, any more than we speak of digestion when we speak of capacity for digestion. As is well known, the latter process requires something more than a good

Wer Arbeitsvermögen sagt, sagt nicht Arbeit, so wenig als wer Verdauungsvermögen sagt, Verdauen sagt. Zum letzten Prozeß ist bekanntlich mehr als ein guter Magen erforderlich. Wer Arbeitsvermögen sagt, abstrahiert

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stomach. When we speak of capacity for labor, we do not abstract from the necessary means of subsistence. On the contrary their value is expressed in its value. If his capacity for labor remains unsold, this is of no advantage to the worker. He will rather feel it to be a cruel nature-imposed necessity that his capacity for labor has required for its production a definite quantity of the means of subsistence, and will continue to require this for its reproduction. Then he will make the same discovery as Sismondi, that ‘the capacity for labor . . . is nothing unless it is sold’.⁴⁸

⁴⁸ [Si19, p. 113]

Marx agrees with Rossi that the means of subsistence of the workers are implicit in the concept of labor-power. But he disagrees with Rossi’s conflation of labor-power and labor. There is an important practical difference between labor-power and labor, because labor-power cannot produce without means of production. A laborer who is unable to sell his labor-power experiences both of these aspects: the difference between labor-power and labor, and the connection between labor-power and means of subsistence. Although Marx does not say it here explicitly, this scenario makes it clear why labor-power cannot command a price of the market which reimburses the full value produced by the labor.

Question 591 (Tue Oct 26–Thu Oct 28) Argue why the commodity the worker sells is labor-power, and not labor. [2009fa](#), [2008fa](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2000fa](#), [1999SP](#), [1997WI](#).

Question 593 (Tue Oct 26–Thu Oct 28) Labor-power creates products. The value of the products comes from the value of labor-power, and the use-value from the use-value of labor-power. Is this a correct rendering of Marx’s theory? [2007fa](#), [2002fa](#), [1999SP](#), [1998WI](#), [1997sp](#), [1996ut](#), [1996sp](#), [1995ut](#), [1995WI](#).

Question 594 (Tue Oct 26–Thu Oct 28)

It is often argued that labor-power is not really a commodity. Does labor-power meet the following criteria for being a commodity?

- (a) It is a non-use-value for its producer.
- (b) It is a use-value for the buyer.
- (c) Its use-value and its value are two quite different things.
- (d) It is produced for the exchange.
- (e) Seller and buyer only meet on the market; the consumption of the commodity is a matter which does not concern the seller. [2009fa](#), [1999SP](#), [1997ut](#), [1997sp](#), [1996ut](#), [1996sp](#).

6.5. [From the Sphere of Circulation to Production]

nicht von den zu seiner Subsistenz notwendigen Lebensmitteln. Ihr Wert ist vielmehr ausgedrückt in seinem Wert. Wird es nicht verkauft, so nützt es dem Arbeiter nichts, so empfindet er es vielmehr als eine grausame Naturnotwendigkeit, daß sein Arbeitsvermögen ein bestimmtes Quantum Subsistenzmittel zu seiner Produktion erheischt hat und stets wieder von neuem zu seiner Reproduktion erheischt. Er entdeckt dann mit Sismondi: „Das Arbeitsvermögen . . . ist nichts, wenn es nicht verkauft wird“⁴⁸

⁴⁸ [Si19, p. 113]

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279:2 We now know the modalities of the determination of the value paid by the owner of money to the owner of this peculiar commodity, labor-power.

↓ However the money owner buys labor-power only because its *consumption* creates more value than the value incorporated in the labor-power itself. We are therefore also interested in the *use-value* of the commodity labor-power.

The use-value which the former gets in exchange will only become apparent in the actual utilization, in the process of the consumption of the labor-power.

This last sentence is an echo of 126:1. Generally, use-values are not part of the subject-matter of political economy. We are looking here at the use-value of labor-power only because labor-power is an exception. Its use-value is economically relevant because the use of labor-power creates value. In order to understand *how* the commodity labor-power obtains its miraculous ability to create surplus-value, we must look at the process in which the commodity labor-power is consumed.

The money-owner buys everything necessary for this process, such as raw material, in the market, and pays the full price for it. The process of consumption of labor-power is at the same time the process of production of commodities and of surplus-value.

↓ What happens next will be described in the next chapter, 291:1. This is the part of the creation of surplus-value which does *not* take place in the sphere of circulation. The rest of the current chapter gives some concluding remarks before we leave circulation behind in order to enter the sphere of production.

The consumption of labor-power, as that of every other commodity, takes place outside the market or the sphere of circulation. Let us therefore, in company with the owner of money and the owner of labor-power, leave this noisy sphere, which occupies the surface, and is in full view of everyone, and follow them into the hidden abode of production, on whose threshold there hangs the notice ‘No admittance except on business’. Here it will turn out, not only how capital produces, but how capital itself is produced. The secret of profit-making must at last be laid bare.

In this chapter, we have made good progress towards the explanation how profits can be made if all commodities are sold at their values. By an elimination argument we have arrived at the commodity labor-power as our only candidate through which this is possible. We know now under which conditions labor-power is a commodity, and how the value of this commodity is determined. The only remaining step is to verify that the consumption of

189:1 Wir kennen nun die Art und Weise der Bestimmung des Werts, welcher dem Besitzer dieser eigentümlichen Ware, der Arbeitskraft, vom Geldbesitzer gezahlt wird.

Der Gebrauchswert, den letzter seinerseits im Austausch erhält, zeigt sich erst im wirklichen Verbrauch, im Konsumtionsprozeß der Arbeitskraft.

Alle zu diesem Prozeß nötigen Dinge, wie Rohmaterial usw., kauft der Geldbesitzer auf dem Warenmarkt und zahlt sie zum vollen Preis. Der Konsumtionsprozeß der Arbeitskraft ist zugleich der Produktionsprozeß von Ware und von Mehrwert.

Die Konsumtion der Arbeitskraft, gleich der Konsumtion jeder andren Ware, vollzieht sich außerhalb des Markts oder der Zirkulationssphäre. Diese geräuschvolle, auf der Oberfläche hausende und aller Augen zugängliche Sphäre verlassen wir daher, zusammen mit Geldbesitzer und Arbeitskraftbesitzer, um beiden nachzufolgen in die verborgne Stätte der Produktion, an deren Schwelle zu lesen steht: No admittance except on business. Hier wird sich zeigen, nicht nur wie das Kapital produziert, sondern auch wie man es selbst produziert, das Kapital. Das Geheimnis der Plusmacherei muß sich endlich enthüllen.

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labor-power creates more value than labor-power itself costs. For this, a detailed look at the consumption of the commodity labor-power has become necessary. This will not be done here but in chapter Seven. Here, at the end of chapter Six, Marx throws a last look back at the sphere of circulation:

280:1 The sphere of circulation or commodity exchange, within whose boundaries the sale and purchase of labor-power goes on, is in fact a very Eden of the innate rights of man. It is the exclusive realm of Freedom, Equality, Property and Bentham. Freedom, because both buyer and seller of a commodity, let us say of labor-power, are determined only by their own free will. They contract as free persons, who are equal before the law. Their contract is the final result in which their joint will finds a common legal expression. Equality, because each enters into relation with the other, as with a simple owner of commodities, and they exchange equivalent for equivalent. Property, because each disposes only of what is his own. And Bentham, because each looks only to his own advantage. The only force bringing them together, and putting them into relation with each other, is the selfishness, the gain and the private interest of each. Each pays heed to himself only, and no one worries about the others. And precisely for that reason, either in accordance with the pre-established harmony of things, or under the auspices of an all-cunning providence, they all work together to their mutual advantage, for the common weal, and in the common interest.

Illusions of the sphere of circulation: Freedom, Equality, Property, Bentham (Theoretician of utilitarianism, the doctrine that the private interests of the individuals automatically combine to the general interest). More about Bentham on p. 758:1/oo.

Question 596 (*Tue Oct 26–Thu Oct 28*) Does the sphere of commodity circulation contradict the principles of freedom and equality? Are these principles violated under capitalism? 2004fa, 2003fa.

↓ A look at the faces of capitalist and worker shows us that Bentham cannot be right.

280:2 When we leave this sphere of simple circulation or the exchange of commodities, which provides the ‘free-trader vulgaris’ with his views, his concepts, and the standard, by which he judges the society

189:2/o Die Sphäre der Zirkulation oder des Warenaustausches, innerhalb deren Schranken Kauf und Verkauf der Arbeitskraft sich bewegt, war in der Tat ein wahres Eden der angeborenen Menschenrechte. Was allein hier herrscht, ist Freiheit, Gleichheit, Eigentum und Bentham. Freiheit! Denn Käufer und Verkäufer einer Ware, z.B. der Arbeitskraft, sind nur durch ihren freien Willen bestimmt. Sie kontrahieren als freie, rechtlich ebenbürtige Personen. Der Kontrakt ist das Endresultat, worin sich ihre Willen einen gemeinsamen Rechtsausdruck geben. Gleichheit! Denn sie beziehen sich nur als Warenbesitzer aufeinander und tauschen Äquivalent für Äquivalent. Eigentum! Denn jeder verfügt nur über das Seine. Bentham! Denn jedem von den beiden ist es nur um sich zu tun. Die einzige Macht, die sie zusammen und in ein Verhältnis bringt, ist die ihres Eigennutzes, ihres Sondervorteils, ihrer Privatinteressen. Und eben weil so jeder nur für sich und keiner für den andren kehrt, vollbringen alle, infolge einer prästabilierten Harmonie der Dinge oder unter den Auspizien einer allpuffigen Vorsehung, nur das Werk ihres wechselseitigen Vorteils, des Gemeinnutzens, des Gesamtinteresses.

190:1/o Beim Scheiden von dieser Sphäre der einfachen Zirkulation oder des Warenaustausches, woraus der Freihändler vulgaris Anschauungen, Begriffe und Maßstab für sein Urteil über die Gesellschaft des

6.5. [From Circulation to Production]

of capital and wage-labor, a certain change seems to take place in the physiognomy of our dramatis personae. He who was previously the money-owner now strides out in front as a capitalist; the possessor of labor-power follows as his worker. The one smirks self-importantly and is intent on business; the other is timid and holds back, like a sheep bringing his own wool to market which now has nothing else to expect but—a good fleecing.

I substituted the sheep metaphor for Marx's tanning metaphor: "like someone who has brought

his own hide to market and now has nothing else to expect but—a tanning." "Tanning" nowadays

Kapitals und der Lohnarbeit entlehnt, verwandelt sich, so scheint es, schon in etwas die Physiognomie unsrer dramatis personae. Der ehemalige Geldbesitzer schreitet voran als Kapitalist, der Arbeitskraftbesitzer folgt ihm nach als sein Arbeiter; der eine bedeutungsvoll schmunzelnd und geschäftseifrig, der andre scheu, widerstrebsam, wie jemand, der seine eigne Haut zu Markt getragen und nun nichts andres zu erwarten hat als die—Gerberei.

means: getting a sun-tanned skin.

↑ One has to be intimately familiar with capitalist society—a familiarity which usually only comes with living in this society—in order to know, or to be able to imagine, the facial expressions of capitalist and newly-hired worker as they walk together to the workshop. Marx appeals here to the tacit knowledge of the members of capitalist society in order to call the surface appearance into question that the sale of labor-power is an equitable exchange. The distraught look of the worker betrays the premonition that selling one's own skin may not be a favorable bargain.

Term Paper Topic 598 (*Tue Oct 26–Thu Oct 28*) *Essay about Chapter Seven: Labor Process and Valorization Process* [2008SP](#), [2005fa](#), [2001fa](#), [1999SP](#), [1998WI](#), [1997ut](#), [1997sp](#), [1997WI](#).

Term Paper Topic 599 (*Tue Oct 26–Thu Oct 28*) *Essay about Chapter Eight: Constant and Variable Capital* [2008fa](#), [2007fa](#), [2001fa](#), [1999SP](#), [1998WI](#), [1997sp](#).

Term Paper Topic 600 (*Tue Oct 26–Thu Oct 28*) *Essay about Chapter Nine: The Rate of Surplus Value* [2009fa](#), [2008fa](#).

7. Labor Process and Valorization Process

Humans have the ability to change the world around them in such a way that it serves their purposes. The exercise of this miraculous power is called “labor,” a word which connotes that this is often a strenuous effort. For humans, the exercise of this ability is not only possible but also necessary, because they need the fruits of their labor in order to survive. Chapter Seven analyzes this process and its social form under capitalism.

7.1. Labor Process

As announced at the end of chapter Six, we are leaving circulation behind in order to witness the consumption of the commodity labor-power. Throughout this chapter, the money owner from the end of chapter Six, 279:2, is with us. He has bought the commodity labor-power and is about to consume it. We are observing him closely, because we have to solve the final part of the riddle how surplus-value is made. As Marx said at the end of chapter Five, 268:4/o, the solution of the riddle must lie both in circulation and not in circulation. The present chapter looks at the part *not* in circulation.

The Moore-Aveling translation reminds the reader of the presence of the capitalist in the first sentence of the chapter, which reads: “The capitalist buys labor-power in order to use it; and the utilization of labor-power is labor itself.” However the text below follows here the German 4th edition, which does not mention the capitalist in the first sentence:

283:1 The utilization of labor-power is labor itself. The buyer of labor-power consumes it by setting the seller of labor-power to work. Thereby the latter becomes in actuality what he was previously only potentially, namely a worker, labor-power in action.

↓ The purpose of the consumption of labor-power by the capitalist is not labor itself, but the representation of this labor in a commodity:

In order to represent his labor in commodities, the worker must, above all, represent it in use-values, in things which aid the satisfaction of needs of one kind or another. Hence what the capitalist sets the worker to produce is a particular use-value, a specific article.

The capitalist is not interested in use-value of this commodity, but in its value. He hires the worker in order to produce commodities which contain value. A use-value must be produced only because the commodity's value needs a use-value as its carrier. ↓ Nevertheless, this

192:1 Der Gebrauch der Arbeitskraft ist die Arbeit selbst. Der Käufer der Arbeitskraft konsumiert sie, indem er ihren Verkäufer arbeiten lässt. Letzter wird hierdurch actu sich betätigende Arbeitskraft, Arbeiter, was er früher nur potentia war.

Um seine Arbeit in Waren darzustellen, muß er sie vor allem in Gebrauchswerten darstellen, Sachen, die zur Befriedigung von Bedürfnissen irgendeiner Art dienen. Es ist also ein besonderer Gebrauchswert, ein bestimmter Artikel, den der Kapitalist vom Arbeiter anfertigen läßt.

production of use-values must follow certain general characteristics which are independent of the social relations.

The fact that the production of use-values, or goods, is carried out under the control of a capitalist and on his behalf, does not alter the general character of that production. The labor process must therefore at first be considered independently of any specific social form.

↑ Obviously, the labor process is very much influenced by society. Why does Marx then say that its *general* nature is independent of social relations? Because besides all its social determinations, the labor process also has to contend with natural forces and natural constraints which are independent of society. Marx says more about this in 290:4/o.

Die Produktion von Gebrauchswerten oder Gütern ändert ihre allgemeine Natur nicht dadurch, daß sie für den Kapitalisten und unter seiner Kontrolle vorgeht. Der Arbeitsprozeß ist daher zunächst unabhängig von jeder bestimmten gesellschaftlichen Form zu betrachten.

7.1.a. [The General Nature of Labor, Independently of its Social Form]

[Labor as a Process Between Man and Nature]

283:2/o Labor is at first a process between man and nature, a process by which man mediates, regulates and controls his metabolism with nature through his own actions.

Marx says “at first” because much more could be said about the labor process, even at this level of generality; for instance one could say that production is necessarily a co-operative process and that almost all inputs to labor are the products of past labor. Marx begins here with a bare-bones definition, in order to work out some important defining characteristics of the labor process.

He confronts the natural materials as a force of nature. He sets in motion the natural forces that belong to his own body, his arms and legs, head and hands, in order to appropriate the natural materials in a form useful for his own life.

↑ In the labor process, humans act as a natural force on the nature around them, but from this interaction of natural forces emerges a result which does not depend on nature but on the intentions of the humans. ↓ This is why Marx says that the labor process *changes the nature* external to the worker.

While acting upon external nature and changing it, he also changes his own nature. He develops the potentialities slumbering within his nature, and subordinates the play of its powers to his command.

↑ An additional effect of the labor process, often overlooked, is that in this process, humans also change their *own* nature. Labor not only creates novelty in outside nature, but also novelty in the nature of the producer.

192:2/o Die Arbeit ist zunächst ein Prozeß zwischen Mensch und Natur, ein Prozeß, worin der Mensch seinen Stoffwechsel mit der Natur durch seine eigne Tat vermittelt, regelt und kontrolliert.

Er tritt dem Naturstoff selbst als eine Naturmacht gegenüber. Die seiner Leiblichkeit angehörigen Naturkräfte, Arme und Beine, Kopf und Hand, setzt er in Bewegung, um sich den Naturstoff in einer für sein eignes Leben brauchbaren Form anzueignen.

Indem er durch diese Bewegung auf die Natur außer ihm wirkt und sie verändert, verändert er zugleich seine eigne Natur. Er entwickelt die in ihr schlummernden Potenzen und unterwirft das Spiel ihrer Kräfte seiner eignen Botmäßigkeit.

7. Labor Process and Valorization Process

Question 601 (*Fri Oct 29–Mon Nov 1*) *Is it true that that the labor process changes nature? It certainly changes natural things into other natural things, but it only uses the forces of nature to do this. Which arguments can be given to support Marx's claim that it changes nature itself?*

Question 602 (*Fri Oct 29–Mon Nov 1*) *Give examples how humans change nature by labor; and how they change their own nature by labor.*

↓ Some of the characteristics of the human labor process are shared by certain activities of animals. Bees, for instance, effect a change of form in the materials of nature when they construct their honeycomb. But the human labor process has one important aspect which is not shared by animals.

We are not dealing here with those first instinctive forms of labor which remain on the animal level. An immense interval of time separates the state of things in which a man brings his labor-power to market for sale as a commodity from the situation when human labor had not yet cast off its first instinctive form. We presuppose labor in a form in which it is an exclusively human characteristic. A spider conducts operations which resemble those of the weaver, and a bee would put many a human architect to shame by the construction of its honeycomb cells.

↓ After the similarities between human labor and the activities of animals, Marx brings, in a famous passage, the difference between human labor and the activities of bees and spiders.

But what distinguishes the worst architect from the best of bees is that the architect builds the cell in his mind before he constructs it in wax. At the end of every labor process, a result emerges which had already been conceived by the worker at the beginning, hence already existed notionally. Man not only effects a change of form in the materials of nature; while doing this he realizes his own purpose in the natural realm. It is a purpose he is conscious of, it determines the mode of his activity as a law, and he must subordinate his will to this purpose.

↑ In production, humans know and intend the effects of their actions. This intended effect is called here the *purpose*. Production is governed by purpose. In the *Philosophy of Right*, § 117, Hegel discusses unintentional consequences of volitional activity. In the Hegelian paradigm, humans are free to pursue their wills. If their actions have consequences which the humans could not know, i.e., which are not included in their purpose, then they are not liable for them. I.e., in Hegel's moral and legal framework, the will matters, while the actual consequences of the willful acts are secondary. In production the relationship is reversed:

Wir haben es hier nicht mit den ersten tierartig instinktmäßigen Formen der Arbeit zu tun. Dem Zustand, worin der Arbeiter als Verkäufer seiner eignen Arbeitskraft auf dem Warenmarkt auftritt, ist in urzeitlichen Hintergrund der Zustand entrückt, worin die menschliche Arbeit ihre erste instinktartige Form noch nicht abgestreift hatte. Wir unterstellen die Arbeit in einer Form, worin sie dem Menschen ausschließlich angehört. Eine Spinne verrichtet Operationen, die denen des Webers ähneln, und eine Biene beschämt durch den Bau ihrer Wachszenlen manchen menschlichen Baumeister.

Was aber von vornherein den schlechtesten Baumeister vor der besten Biene auszeichnet, ist, daß er die Zelle in seinem Kopf gebaut hat, bevor er sie in Wachs baut. Am Ende des Arbeitsprozesses kommt ein Resultat heraus, das beim Beginn desselben schon in der Vorstellung des Arbeiters, also schon ideell vorhanden war. Nicht daß er nur eine Formveränderung des Natürlichen bewirkt; er verwirklicht im Natürlichen zugleich seinen Zweck, den er weiß, der die Art und Weise seines Tuns als Gesetz bestimmt und dem er seinen Willen unterordnen muß.

what matters is the actual effect, and the worker has to subordinate his or her will to the achievement of this effect. The worker has to subordinate his will to his purpose—but on the other hand he also has to *want* his purpose. ↓ The contradictory unity between will and purpose is called, in the next passage, the purposeful will.

Question 603 (*Fri Oct 29–Mon Nov 1*) *What distinguishes human labor from the labor of an animal or a machine?*

Question 604 (*Fri Oct 29–Mon Nov 1*) *What purpose does man realize in the labor process? Does this purpose depend on his will? Give examples where someone fulfills a purpose which does not depend on his will.*

This subordination is no mere momentary act. Apart from the exertion of his organs, a purposeful will is required for the entire duration of the labor process, which manifests itself as the worker's attention. The less the worker is swept along by the work's own content and the mode how it is carried out, the less, therefore, he enjoys it as the spontaneous play of his physical and mental powers, the closer his attention is forced to be.

Und diese Unterordnung ist kein vereinzelter Akt. Außer der Anstrengung der Organe, die arbeiten, ist der zweckmäßige Wille, der sich als Aufmerksamkeit äußert, für die ganze Dauer der Arbeit erheischt, und um so mehr, je weniger sie durch den eignen Inhalt und die Art und Weise ihrer Ausführung den Arbeiter mit sich fortreißt, je weniger er sie daher als Spiel seiner eignen körperlichen und geistigen Kräfte genießt.

I am inserting “spontaneous” in front of “play,” where the

translations had written “free,” but Marx's German edition had not

Question 605 (*Fri Oct 29–Mon Nov 1*) *What distinguishes human labor from play?*

↑ This concludes Marx's characterization of the essence of the human labor-process. Marx does not even begin to explain *how* humans manage to subordinate nature to their wills. Although we are doing it every day, we don't know how we are doing it. ↓ All that Marx can do is enumerate general characteristics which most labor processes have in common.

284:1 The simple moments of the labor process are (1) purposeful activity, that is work itself, (2) the object on which that work is performed, and (3) the instruments of that work.

193:1 Die einfachen Momente des Arbeitsprozesses sind die zweckmäßige Tätigkeit oder die Arbeit selbst, ihr Gegenstand und ihr Mittel.

Question 606 (*Fri Oct 29–Mon Nov 1*) *What does Marx understand by a “moment”? What are the simple moments of the commodity? What are the simple moments of the labor process?*

↑ Earlier, in 133:2/o, Marx had said that labor needs nature to produce its product. Now, he gives a rough classification of the natural ingredients of most labor processes.

7. Labor Process and Valorization Process

[Object of Labor]

Marx first discusses the object of labor, then the instruments of labor, and then the conditions of the labor process (premises etc.). Among the objects of labor, Marx distinguishes between two kinds, those filtered through earlier labor, and those directly furnished by nature:

284:2/o The land (and this, economically speaking, includes water) in its original state in which it supplies man with necessities or means of subsistence ready to hand¹ is available without any effort on his part as the universal object of human labor. All those things which labor merely separates from immediate connection with their environment are objects of labor spontaneously provided by nature, such as fish caught and separated from water, their natural element, timber felled in virgin forests, and ores extracted from their veins. If, on the other hand, the object of labor has, so to speak, been filtered through previous labor, we call it raw material. For example, ore already extracted and ready for washing. All raw material is an object of labor, but not every object of labor is raw material; the object of labor counts as raw material only when it has already undergone some alteration mediated by labor.

193:2 Die Erde (worunter ökonomisch auch das Wasser einbegriffen), wie sie den Menschen ursprünglich mit Proviant, fertigen Lebensmitteln ausrüstet,¹ findet sich ohne sein Zutun als der allgemeine Gegenstand der menschlichen Arbeit vor. Alle Dinge, welche die Arbeit nur von ihrem unmittelbaren Zusammenhang mit dem Erdganzen loslässt, sind von Natur vorgefundne Arbeitsgegenstände. So der Fisch, der von seinem Lebenselement, dem Wasser, getrennt, gefangen wird, das Holz, das im Urwald gefällt, das Erz, das aus seiner Ader losgebrochen wird. Ist der Arbeitsgegenstand dagegen selbst schon sozusagen durch frühere Arbeit filtriert, so nennen wir ihn Rohmaterial. Z.B. das bereits losgebrochne Erz, das nun ausgewaschen wird. Alles Rohmaterial ist Arbeitsgegenstand, aber nicht jeder Arbeitsgegenstand ist Rohmaterial. Rohmaterial ist der Arbeitsgegenstand nur, sobald er bereits eine durch Arbeit vermittelte Veränderung erfahren hat.

Objects of labor “spontaneously provided by nature” (fish, timber from virgin forests) are here distinguished from “raw materials” (which are already improved, iron ore which already passed through an enrichment process). Cohen in [Coh80, p. 39] criticizes this definition of raw materials. Cohen says: “Something is raw material in a labor process if and only if it is the purpose of the process to transform it … Its previous history, and in particular whether labor has already been spent on it, are irrelevant.” Whether or not something is relevant depends on the context. As a process between humankind and nature, the distinction between objects directly furnished by nature and objects already filtered through prior labor is relevant. For the mechanics of the individual production processes, this distinction is irrelevant.

It is remarkable that almost all means and objects of labor are already filtered by labor. This will become important in the further development of the argument, but right now Marx mentions it only through the Steuart quote in footnote 1:

¹ ‘The earth’s spontaneous productions being in small quantity, 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 Political Economy*, Dublin, 1770, Vol. I, p. 116).

¹ „Die naturwüchsigen Erzeugnisse der Erde, die in geringen Mengen und ganz unabhängig vom Menschen vorkommen, scheinen von der Natur in der gleichen Art gegeben zu sein, wie man einem jungen Mann eine knappe Summe gibt, um ihn auf den Weg des Fleißes und des Reichwerdens zu führen.“ James Steuart, *Principles of Political Economy*, edit. Dublin 1770, v.

I, p. 116.

[Means or Instruments of Labor]

The words “means of labor” and “instruments of labor” will be used here interchangeably. The first paragraph brings their definition:

285:1/o An instrument of labor is a thing, or a complex of things, which the laborer interposes between himself and the object of labor, and which serves as the conductor of his activity. He makes use of the mechanical, physical, and chemical properties of some things in order to force, according to his purpose, an effect on other things.²

194:1/o Das Arbeitsmittel ist ein Ding oder ein Komplex von Dingen, die der Arbeiter zwischen sich und den Arbeitsgegenstand schiebt und die ihm als Leiter seiner Tätigkeit auf diesen Gegenstand dienen. Er benutzt die mechanischen, physikalischen, chemischen Eigenschaften der Dinge, um sie als Machtmittel auf andre Dinge, seinem Zweck gemäß, wirken zu lassen.²

↑ The interjection of these physical things between the laborer and the object of labor makes the paradox more clearly visible which was already addressed in the earlier formulation that humans *change nature* through the labor process: although the instruments of labor act on the objects of labor according to natural laws, the end effect is not determined by nature but follows human intentions. ↓ The footnote compares this with Hegel’s “cunning of reason.”

² “Reason is just as cunning as she is powerful. Her cunning consists principally in her mediating activity, which, by causing objects to act and re-act on each other in accordance with their own nature, in this way, without any direct interference in the process, carries out reason’s intentions.” (Hegel: “Enzyklopädie, Erster Theil, Die Logik,” Berlin 1840, p. 382.)

² „Die Vernunft ist ebenso listig als mächtig. Die List besteht überhaupt in der vermittelnden Tätigkeit, welche, indem sie die Objekte ihrer eigenen Natur gemäß aufeinander einwirken und sich aneinander abarbeiten lässt, ohne sich unmittelbar in diesem Prozeß einzumischen, gleichwohl nur ihren Zweck zur Ausführung bringt.“ (Hegel, „Enzyklopädie“, Erster Teil, „Die Logik“, Berlin 1840, p. 382.)

↓ The laborer handles the instruments of labor directly, but most of the object of labor only indirectly, through the instruments of labor.

Leaving out of consideration such ready-made means of subsistence as fruits, in gathering which a man’s own limbs serve as the instruments of his labor, the thing of which the laborer possesses himself directly is not the object of labor but its instrument.

Der Gegenstand, dessen sich der Arbeiter unmittelbar bemächtigt—abgesehn von der Ergreifung fertiger Lebensmittel, der Früchte z.B., wobei seine eignen Leibesorgane allein als Arbeitsmittel dienen—is nicht der Arbeitsgegenstand, sondern das Arbeitsmittel.

↑ This observation will relevant for the development of machinery, in which human holding tools are replaced by mechanical frames holding very similar tools, see 494:2/o. ↓ Marx continues to say that the instruments of labor can be considered an extension of the laborer’s body:

Thus Nature itself becomes one of the organs of his activity, one that he annexes to his own bodily organs, adding stature to himself in spite of the Bible.

So wird das Natürliche selbst zum Organ seiner Tätigkeit, ein Organ, das er seinen eignen Leibesorganen hinzufügt, seine natürliche Gestalt verlängernd, trotz der Bibel.

7. Labor Process and Valorization Process

Question 607 (*Fri Oct 29–Mon Nov 1*) *Is it correct to say that nature is the ultimate producer, and man only manipulates nature for his own benefit? Compare this with the parallel statement: the worker is the ultimate producer, and the capitalist only manipulates the worker to take advantage of him.*

⇓ Now a listing of the instruments of labor, again distinguishing those directly given by nature from those produced by earlier labor.

As the earth is his original larder, so too it is his original tool shed. It supplies him, for instance, with stones for throwing, grinding, pressing, cutting, etc. The earth itself is an instrument of labor, but its use as such in agriculture implies a whole series of other instruments and a comparatively high development of labor.³ No sooner does labor undergo the least development, than it requires instruments which are themselves prepared by labor.

³ In his otherwise miserable work (“Théorie de l’Écon. Polit.” Paris, 1815), Gamilh enumerates in a striking manner in opposition to the “Physiocrats” the long series of previous processes necessary before agriculture properly so called can commence.

↑ Even the most primitive labor processes need specially produced means of labor. ⇓ This gives the transition to a discussion of the role of instruments of labor in the evolution of human history:

Thus in the oldest caves we find stone implements and weapons. In the earliest period of human history domesticated animals, *i.e.*, animals which have been bred for the purpose, and have undergone modifications by means of labor, play the chief part as instruments of labor along with specially prepared stones, wood, bones, and shells.⁴ The use and fabrication of instruments of labor, although existing in the germ among certain species of animals, is specifically characteristic of the human labor-process, and Franklin therefore defines man as a tool-making animal.

⁴ Turgot in his “Réflexions sur la Formation et la Distribution des Richesses” (1766) brings well into prominence the importance of domesticated animals to early civilisation.

Wie die Erde seine ursprüngliche Proviantskammer, ist sie sein ursprüngliche Arsenal von Arbeitsmitteln. Sie liefert ihm z.B. den Stein, womit er wirft, reibt, drückt, schneidet usw. Die Erde selbst ist ein Arbeitsmittel, setzt jedoch zu ihrem Dienst als Arbeitsmittel in der Agrikultur wieder eine ganze Reihe anderer Arbeitsmittel und eine schon relativ hohe Entwicklung der Arbeitskraft voraus.³ Sobald überhaupt der Arbeitsprozeß nur einigermaßen entwickelt ist, bedarf er bereits bearbeiter Arbeitsmittel.

³ In der sonst elenden Schrift: „Théorie de l’Écon. Polit.“, Paris 1815, zählt Gamilh den Physiokraten gegenüber treffend die große Reihe von Arbeitsprozessen auf, welche die Voraussetzung der eigentlichen Agrikultur bilden.

need specially produced means of labor. ⇓ This gives the transition to a discussion of the role of instruments of labor in the evolution of human history:

In den ältesten Menschenhöhlen finden wir Steinwerkzeuge und Steinwaffen. Neben bearbeitetem Stein, Holz, Knochen und Muscheln spielt im Anfang der Menschengeschichte das gezähmte, also selbst schon durch Arbeit veränderte, gezüchtete Tier die Hauptrolle als Arbeitsmittel.⁴ Der Gebrauch und die Schöpfung von Arbeitsmitteln, obgleich im Keim schon gewissen Tierarten eigen, charakterisieren den spezifisch menschlichen Arbeitsprozeß, und Franklin definiert daher den Menschen als „a toolmaking animal“, ein Werkzeug fabrizierendes Tier.

⁴ In den „Réflexions sur la Formation et la Distribution des Richesses“ (1766) entwickelt Turgot gut die Wichtigkeit des gezähmten Tiers für die Anfänge der Kultur.

Question 608 (*Fri Oct 29–Mon Nov 1*) *Is the soil into which the farmer puts his seeds an instrument of labor or the object of labor?*

↓ The means of labor are central for the historical epoch. Not what is produced but how it is produced is distinctive.

Relics of bygone instruments of labor possess the same importance for the investigation of extinct economic forms of society, as do fossil bones for the determination of extinct species of animals. It is not the articles made, but how they are made, and by what instruments, that enables us to distinguish different economic epochs.⁵

⁵ The least important commodities of all for the technological comparison of different epochs of production are articles of luxury, in the strict meaning of the term.

Instruments of labor not only supply a standard of the degree of development to which human labor has attained, but they are also indicators of the social conditions under which that labor is carried on. Among the instruments of labor, those of a mechanical nature, which, taken as a whole, we may call the bone and muscles of production, offer much more decided characteristics of a given epoch of production, than those which, like pipes, tubs, baskets, jars, etc., serve only to hold the materials for labor, which latter class, we may in a general way, call the vascular system of production. The latter first begins to play an important part in the chemical industries.^{5a}

^{5a} However little our written histories up to this time notice the development of material production, which is the basis of all social life, and therefore of all real history, yet prehistoric times have been classified in accordance with the results, not of so-called historical, but of materialistic investigations. These periods have been divided, to correspond with the materials from which their implements and weapons were made, viz., into the stone, the bronze, and the iron ages.

Dieselbe Wichtigkeit, welche der Bau von Knochenreliquien für die Erkenntnis der Organisation untergegangener Tiergeschlechter, haben Reliquien von Arbeitsmitteln für die Beurteilung untergegangener ökonomischer Gesellschaftsformationen. Nicht was gemacht wird, sondern wie, mit welchen Arbeitsmitteln gemacht wird, unterscheidet die ökonomischen Epochen.⁵

⁵ Von allen Waren sind eigentliche Luxuswaren die unbedeutendsten für die technologische Vergleichung verschiedner Produktionsepochen.

Die Arbeitsmittel sind nicht nur Gradmesser der Entwicklung der menschlichen Arbeitskraft, sondern auch Anzeiger der gesellschaftlichen Verhältnisse, worin gearbeitet wird. Unter den Arbeitsmitteln selbst bieten die mechanischen Arbeitsmittel, deren Gesamtheit man das Knochen und Muskelsystem der Produktion nennen kann, viel entscheidendere Charaktermerkmale einer gesellschaftlichen Produktions-epochen als solche Arbeitsmittel, die nur zu Behältern des Arbeitsgegenstandes dienen und deren Gesamtheit ganz allgemein als das Gefäßsystem der Produktion bezeichnet werden kann, wie z.B. Röhren, Fässer, Körbe, Krüge usw. Erst in der chemischen Fabrikation spielen sie eine bedeutungsvolle Rolle.^{5a}

^{5a} Note zur 2. Ausg. So wenig die bisherige Geschichtsschreibung die Entwicklung der materiellen Produktion, also die Grundlage alles gesellschaftlichen Lebens und daher aller wirklichen Geschichte kennt, hat man wenigstens die vorhistorische Zeit auf Grundlage naturwissenschaftlicher, nicht sog. historischer Forschungen nach dem Material der Werkzeuge und Waffen in Steinalter, Bronzealter und Eisenalter abgeteilt.

[Means of Labor Defined More Broadly]

↓ In *Results*, Marx calls them “conditions of labor.”

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286:1/o In a wider sense we may include among the instruments of labor, in addition to those things that are used for directly transferring labor to its object, and which therefore, in one way or another, serve as conductors of the activity, all such objects as are necessary for carrying on the labor-process. These do not enter directly into the process, but without them it is either impossible for it to take place at all, or possible only to a partial extent. Once more we find the earth to be a universal instrument of this sort, for it furnishes a locus standi to the laborer and a field of employment for his activity. Among instruments that are the result of previous labor and also belong to this class, we find workshops, canals, roads, and so forth.

↑ These are the “premises” which Cohen [Coh80] lists separately.

This concludes the discussion of the material ingredients entering the labor process. Why does Marx go into all this detail? He does not claim to be able to explain how the miraculous effects of the labor process come about. It is general knowledge that people can change nature through their work, that people need the fruits of their labor in order to survive, and historical experience shows that each labor-process roughly has the above ingredients: labor itself, the object of labor, the instruments of labor, and the broader conditions of labor. In capitalism, control over these different ingredients of the labor process falls to different classes: labor itself is controlled by the working class, the produced instruments and object of labor by the capitalist class, and those instruments and objects furnished by nature by the land-owning class.

Question 609 (*Fri Oct 29–Mon Nov 1*) *Where are the telephone, clocks, measuring systems and norms, etc. in this classification?*

7.1.b. [The Product]

↓ After this review of the ingredients of the labor process, Marx looks now at the product emerging from it:

[The Product as Objectification of the Labor Process]

287:1 In the labor-process, therefore, human activity, through the instruments of labor, effects an alteration in the material worked upon which was intended from the outset. The process extinguishes itself in the product.

↑ “The process extinguishes itself in the product” is a Hegelian formulation, see [Heg69b, p. 435] and elsewhere. It means first of all that the process stops after the product is made. The product is not the excrement of a process which keeps going for reasons other than the

195:1 Im weitren Sinn zählt der Arbeitsprozeß unter seine Mittel außer den Dingen, welche die Wirkung der Arbeit auf ihren Gegenstand vermitteln und daher in einer oder der andren Weise als Leiter der Tätigkeit dienen, alle gegenständlichen Bedingungen, die überhaupt erheischt sind, damit der Prozeß stattfinde. Sie gehn nicht direkt in ihn ein, aber er kann ohne sie gar nicht oder nur unvollkommen vorgehn. Das allgemeine Arbeitsmittel dieser Art ist wieder die Erde selbst, denn sie gibt dem Arbeiter den locus standi und seinem Prozeß den Wirkungsraum (field of employment). Durch die Arbeit schon vermittelte Arbeitsmittel dieser Art sind z.B. Arbeitsgebäude, Kanäle, Straßen usw.

195:2 Im Arbeitsprozeß bewirkt also die Tätigkeit des Menschen durch das Arbeitsmittel eine von vornherein bezweckte Veränderung des Arbeitsgegenstandes. Der Prozeß erlischt im Produkt.

product, but the process only continues if more product is needed. Furthermore it means that the desired effect of the product, for consumption or for further stages of production, only depends on the physical makeup of the product itself, not on the labor process.

The product is a use-value, a natural material adapted to human needs by a change of form. Labor has become bound up in its object: labor has been objectified, the object processed by labor.

↑ The end product is the combination of materials and labor in which both are still recognizable. Typically, the materials are easily recognizable; they only changed their shape. ↓ But the labor is still recognizable as well: a thread reveals spinning labor, etc.

That which in the laborer appeared as movement, now appears in the product as a fixed quality without motion. The blacksmith forges and the product is a forging.

Sein Produkt ist ein Gebrauchswert, ein durch Formveränderung menschlichen Bedürfnissen angeeigneter Naturstoff. Die Arbeit hat sich mit ihrem Gegenstand verbunden. Sie ist vergegenständlicht, und der Gegenstand ist verarbeitet.

Was auf Seiten des Arbeiters in der Form der Unruhe erschien, erscheint nun als ruhende Eigenschaft, in der Form des Seins, auf Seiten des Produkts. Er hat gesponnen, und das Produkt ist ein Gespinst.

Since the product is the objectification of the labor process, it makes sense to look at everything that was said so far about the labor process also from the point of view of the product.

↓ After his earlier classification of the material ingredients needed by labor to produce its product, Marx takes now the product as given and looks back at the labor process which produced it:

287:2 If one views the whole process from the point of view of its result, the product, then both the instruments and the object of labor appear as means of production,⁶ and the labor itself as productive labor.⁷

196:1 Betrachtet man den ganzen Prozeß vom Standpunkt seines Resultats, des Produkts, so erscheinen beide, Arbeitsmittel und Arbeitsgegenstand, als Produktionsmittel⁶ und die Arbeit selbst als produktive Arbeit⁷.

↑ The difference between instruments and object of labor is only relevant in their relation to labor; in relation to the end product they are both means of production. ↓ The example in footnote 6 illustrates that this look backward at the labor process from its product is an unintuitive point of view, since we are used to looking at the labor process from the point of view of the laborer, not from that of the product:

⁶ It seems paradoxical to assert that uncaught fish, for instance, are a means of production in the fishing industry. But hitherto no one has discovered the art of catching fish in waters that contain none.

⁶ Es scheint paradox, z.B. den Fisch, der noch nicht gefangen ist, ein Produktionsmittel für den Fischfang zu nennen. Bisher ist aber noch nicht die Kunst erfunden, Fische in Gewässern zu fangen, in denen sie sich nicht vorfinden.

↑ Cohen [Coh80, p. 40] criticizes footnote 6: “Marx’s quip is misjudged. Not every necessary condition of a productive activity qualifies as a means of producing what that activity produces.” Cohen considers fishing not as a process of transforming living fish in the waters into edible fish in freezer pouches, but as the new creation of edible fish, one condition for which happens to be the prior existence of living fish in the water.

Note that Marx uses different words for the same real entity according to the context under which it is regarded: regarded as part of the labor process it is an object of labor, it is the thing on which the labor process operates, but regarded as a part of the production process it is a means of production. A similar double terminology will also be used for the value composition/organic composition of capital, and others.

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↓ Footnote 7 announces that the concept of “productive labor” will have a different meaning when capitalist production is considered.

⁷ This method of determining, from the stand-point of the labor-process alone, what is productive labor, is by no means directly applicable to the case of the capitalist process of production.

↑ This remark will be the starting point for a further discussion of productive labor in chapter Sixteen, 287:2.

⁷ Diese Bestimmung produktiver Arbeit, wie sie sich vom Standpunkt des einfachen Arbeitsprozesses ergibt, reicht keineswegs hin für den kapitalistischen Produktionsprozeß.

Question 611 (Fri Oct 29–Mon Nov 1) Is there labor which does not produce a product?

[Products as Inputs into Production Processes]

↓ Products not only come out of labor process but also enter them.

287:3 Though a use-value, in the form of a product, issues from the labor-process, yet other use-values, products of previous labor, enter into it as means of production. The same-use-value is both the product of a previous process, and a means of production in a later process. Products are therefore not only results, but also conditions of labor.

196:2 Wenn ein Gebrauchswert als Produkt aus dem Arbeitsprozeß herauskommt, gehn andre Gebrauchswerte, Produkte früherer Arbeitsprozesse, als Produktionsmittel in ihn ein. Derselbe Gebrauchswert, der das Produkt dieser, bildet das Produktionsmittel jener Arbeit. Produkte sind daher nicht nur Resultat, sondern zugleich Bedingung des Arbeitsprozesses.

↓ It is not only possible but the rule, with very few exceptions, that the means of production of a production process are already the products of a previous production process. Marx first shows this with respect to the object of labor:

287:4/o With the exception of the extractive industries, in which the material for labor is provided immediately by Nature, such as mining, hunting, fishing, and agriculture (so far as the latter is confined to breaking up virgin soil), all branches of industry manipulate raw material, objects already filtered through labor, already products of labor. Such is seed in agriculture. Animals and plants, which we are accustomed to consider as products of nature, are in their present form, not only products of, say last year's labor, but the result of a gradual transformation, continued through many generations, under man's superintendence, and by means of his labor.

196:3 Mit Ausnahme der extraktiven Industrie, die ihren Arbeitsgegenstand von Natur vorfindet, wie Bergbau, Jagd, Fischfang usw. (der Ackerbau nur, soweit er in erster Instanz die jungfräuliche Erde selbst aufbricht), behandeln alle Industriezweige einen Gegenstand, der Rohmaterial, d.h. bereits durch die Arbeit filtrierter Arbeitsgegenstand, selbst schon Arbeitsprodukt ist. So z.B. der Samen in der Agrikultur. Tiere und Pflanzen, die man als Naturprodukte zu betrachten pflegt, sind nicht nur Produkte vielleicht der Arbeit vom vorigen Jahr, sondern, in ihren jetzigen Formen, Produkte einer durch viele Generationen unter menschlicher Kontrolle, vermittelst menschlicher Arbeit, fortgesetzten Umwandlung.

↑ This passage re-introduces the term “raw material,” first defined in 284:2/o, for an object of labor which is itself the product of an earlier labor process. With some objects of labor (farm animals) it is not obvious that they are already the product of earlier production processes. ↓ But regarding the instruments of labor, it is usually very obvious that they are the products of earlier production processes:

But in the great majority of cases, instruments of labor show, even to the most superficial observer, traces of the labor of past ages.

↑ This recursivity of the production process is an important aspect of the production process: it turns it into an inherently social process. Even labor itself needs skills which are developed and transmitted over many generations.

Was aber die Arbeitsmittel insbesondere betrifft, so zeigt ihre ungeheure Mehrzahl dem oberflächlichsten Blick die Spur vergangner Arbeit.

[For the Labor Process, it is Irrelevant Whether a Material Input is a Products]

The next four paragraphs say more about raw materials, i.e., about products entering the labor process.

↓ (1) According to the double role of *nature* in the labor process, which acts on the one hand as the object of labor and on the other as the instrument of labor, there are two kinds of raw material—principal substance and accessory.

288:1 Raw material may either form the principal substance of a product, or it may only enter into its formation as an accessory. An accessory may be consumed by the instruments of labor, as coal under a boiler, oil by a wheel, hay by draft-horses, or it may be mixed with the raw material in order to produce some modification thereof, as chlorine into unbleached linen, coal with iron, dye-stuff with wool, or again, it may help to carry on the work itself, as in the case of the materials used for heating and lighting workshops. The distinction between principal substance and accessory vanishes in the true chemical industries, where none of the raw material reappears, in its original composition, as the substance of the product.⁸

⁸ Storch calls the raw materials properly speaking “matières,” and accessory material “matériaux.” Cherbuliez describes accessories as “matières instrumentales.”

196:4 Das Rohmaterial kann die Hauptsubstanz eines Produkts bilden oder nur als Hilfsstoff in seine Bildung eingehen. Der Hilfsstoff wird vom Arbeitsmittel konsumiert, wie Kohle von der Dampfmaschine, Öl vom Rade, Heu vom Zugpferd, oder dem Rohmaterial zugesetzt, um darin eine stoffliche Veränderung zu bewirken, wie Chlor zur ungebleichten Leinwand, Kohle zum Eisen, Farbe zur Wolle, oder er unterstützt die Verrichtung der Arbeit selbst, wie z.B. zur Beleuchtung und Heizung des Arbeitslokals verwandte Stoffe. Der Unterschied zwischen Hauptstoff und Hilfsstoff verschwimmt in der eigentlich chemischen Fabrikation, weil keines der angewandten Rohmaterialien als die Substanz des Produkts wieder erscheint.⁸

⁸ Storch unterscheidet das eigentliche Rohmaterial als „matière“ von den Hilfsstoffen als „matériaux“; Cherbuliez bezeichnet die Hilfsstoffe als „matières instrumentales“.

Question 612 (Fri Oct 29–Mon Nov 1) What is the difference between raw materials properly speaking and accessories?

↓ (2) Since the same use-value can be used in many different ways, the same product can be means of production in different production processes. It often even enters its own production.

288:2 Every object possesses various properties, and is thus capable of being applied to different uses. One and the same product may therefore serve as raw mate-

197:1 Da jedes Ding vielerlei Eigenschaften besitzt und daher verschiedner Nutz-anwendung fähig ist, kann dasselbe Produkt das Rohmaterial sehr verschiedner Ar-

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rial in very different labor processes. Corn, for example, is a raw material for millers, starch-manufacturers, distillers, and cattle-breeders. It also enters as raw material into its own production in the shape of seed. Coal, too, is at the same time the product of, and a means of production in, coal-mining.

(3) It is also possible that the same product enters one process as raw material and a different process, or even the same process, as instrument of labor:

288:3 Again, a particular product may be used in one and the same process, both as an instrument of labor and as raw material. Take, for instance, the fattening of cattle, where the animal is the raw material, and at the same time an instrument for the production of manure.

(4) In a few cases, products ready for consumption can also be raw materials in the production of other products. But most raw materials cannot be used for final consumption or as means of labor.

288:4/o A product, though ready for immediate consumption, may yet serve as raw material for a further product, as grapes when they become the raw material for wine. On the other hand, labor may give us its product in such a form, that we can use it only as raw material, as is the case with cotton, thread, and yarn. Such a raw material, though itself a product, may have to go through a whole series of different processes: in each of these in turn, it serves, with constantly varying form, as raw material, until the last process of the series leaves it a perfect product, ready for individual consumption, or for use as an instrument of labor.

beitsprozesse bilden. Korn z.B. ist Rohmaterial für Müller, Stärkefabrikant, Destilleur, Viehzüchter usw. Es wird Rohmaterial seiner eignen Produktion als Samen. So geht die Kohle als Produkt aus der Minenindustrie hervor und als Produktionsmittel in sie ein.

197:2 Dasselbe Produkt mag in demselben Arbeitsprozeß als Arbeitsmittel und Rohmaterial dienen. Bei der Viehmast z.B., wo das Vieh, das bearbeitete Rohmaterial, zugleich Mittel der Düngerbereitung ist.

197:3 Ein Produkt, das in einer für die Konsumtion fertigen Form existiert, kann von neuem zum Rohmaterial eines andren Produkts werden, wie die Traube zum Rohmaterial des Weins. Oder die Arbeit entläßt ihr Produkt in Formen, worin es nur wieder als Rohmaterial brauchbar ist. Rohmaterial in diesem Zustand heißt Halbfabrikat und hieße besser Stufenfabrikat, wie z.B. Baumwolle, Faden, Garn usw. Obgleich selbst schon Produkt, mag das ursprüngliche Rohmaterial eine ganze Staffel verschiedner Prozesse zu durchlaufen haben, worin es in stets veränderter Gestalt stets von neuem als Rohmaterial funktioniert bis zum letzten Arbeitsprozeß, der es als fertiges Lebensmittel oder fertiges Arbeitsmittel von sich abstößt.

Question 613 (*Fri Oct 29–Mon Nov 1*) Does it depend on the use-value of a product if it is used as instrument of labor or as object of labor, or for final consumption?

Question 614 (*Fri Oct 29–Mon Nov 1*) Give examples for each of the following situations:

- (a) a use-value is object of labor in its own production process,
- (b) a use-value is both instrument of labor and object of labor in the same production process
- (c) a finished product ready for individual consumption is the object of labor in the production of a different product.

289:1 Hence we see, that whether a use-value is to be regarded as raw material, as in-

197:4 Man sieht: Ob ein Gebrauchswert als Rohmaterial, Arbeitsmittel oder Produkt

strument of labor, or as product, this is determined entirely by its function in the labor-process, by the position it there occupies: as this position varies, so do these determinations.

Conclusion: A product entering a labor process acts in this process as object or instrument of labor, not as a product. (If it reminds us of its character as a product, then only through its imperfections). This legitimizes Marx's order of presentation, which discussed the labor process first without paying much attention to the fact that instruments and object of labor are already products.

289:2 Whenever therefore a product enters as a means of production into a new labor-process, it thereby loses its character of product, and becomes a mere factor in the process. A spinner treats spindles only as implements for spinning, and flax only as the material that he spins. Of course it is impossible to spin without material and spindles; and therefore the existence of these things as products, at the commencement of the spinning operation, must be presumed: but in the process itself, the fact that they are products of previous labor, is a matter of utter indifference; just as in the digestive process, it is of no importance whatever, that bread is the produce of the previous labor of the farmer, the miller, and the baker.

↑ It is the product itself, not the past labor process producing the product, which matters for the consumption of the product, whether it be final consumption or productive consumption. ↓ Only the flaws in the product remind of the producer.

On the contrary, it is generally by their imperfections as products, that the means of production in any process assert themselves in their character of products. A blunt knife or weak thread forcibly remind us of Mr. A, the cutler, or Mr. B, the spinner. In the finished product, the labor by means of which it has acquired its useful qualities is extinguished.

erscheint, hängt ganz und gar ab von seiner bestimmten Funktion im Arbeitsprozesse, von der Stelle, die er in ihm einnimmt, und mit dem Wechsel dieser Stelle wechseln jene Bestimmungen.

197:5 Durch ihren Eintritt als Produktionsmittel in neue Arbeitsprozesse verlieren Produkte daher den Charakter des Produkts. Sie funktionieren nur noch als gegenständliche Faktoren der lebendigen Arbeit. Der Spinner behandelt die Spindel nur als Mittel, womit, den Flachs nur als Gegenstand, den er spinnt. Allerdings kann man nicht spinnen ohne Spinnmaterial und Spindel. Das Vorhandensein dieser Produkte ist daher vorausgesetzt beim Beginn des Spinnens. In diesem Prozeß selbst aber ist es ebenso gleichgültig, daß Flachs und Spindel Produkte vergangner Arbeit sind, wie es im Akt der Ernährung gleichgültig ist, daß Brot das Produkt der vergangenen Arbeiten von Bauer, Müller, Bäcker usw.

Umgekehrt. Machen Produktionsmittel im Arbeitsprozeß ihren Charakter als Produkte vergangner Arbeit geltend, so durch ihre Mängel. Ein Messer, das nicht schneidet, Garn, das beständig zerreißt usw., erinnern lebhaft an Messerschmied A und Garnwickler E. Im gelungenen Produkt ist die Vermittlung seiner Gebrauchseigenschaften durch vergangne Arbeit ausgelöscht.

Question 615 (Fri Oct 29–Mon Nov 1) Explain Marx's sentence: "Whenever a product enters as a means of production into a new labor-process, it thereby loses its character of product, and becomes a mere factor in the process."

[Productive Consumption]

It is common understanding that the labor process produces its products and consumes its inputs. However this consumption is also a preservation. Many use-values are such that

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they would spoil if they did not enter a production process. Productive consumption vs. individual consumption.

289:3/o A machine which does not serve the purposes of labor, is useless. In addition, it falls prey to the destructive influence of natural forces. Iron rusts and wood rots. Yarn with which we neither weave nor knit, is cotton wasted. Living labor must seize upon these things and rouse them from their death-sleep, change them from mere possible use-values into actual and effective ones. Bathed in the fire of labor, appropriated as part and parcel of labor's organism, and, as it were, made alive for the performance of their functions in the process, they are consumed but consumed with a purpose, as constitutive elements of new use-values, of new products, ever ready as means of subsistence for individual consumption, or as means of production for some new labor-process.

290:1 If then, on the one hand, finished products are not only results, but also necessary conditions, of the labor-process, on the other hand, their assumption into that process, their contact with living labor, is the sole means by which they can be made to retain their character of use-values, and be utilised.

Here it becomes apparent how right Marx was when he wrote, in 126:1, that objects realize their use-values in consumption. Without this consumption these use-values would vanish.

290:2 Labor uses up its material factors, its object and its instruments, consumes them, and is therefore a process of consumption. Such productive consumption is distinguished from individual consumption by this, that the latter uses up products, as means of subsistence for the living individual; the former, as means whereby alone, labor, the labor-power of the living individual, is enabled to act. The product, therefore, of individual consumption, is the consumer himself; the result of productive consumption, is a product distinct from the consumer.

198:1 Eine Maschine, die nicht im Arbeitsprozeß dient, ist nutzlos. Außerdem verfällt sie der zerstörenden Gewalt des natürlichen Stoffwechsels. Das Eisen verrostet, das Holz verfault. Garn, das nicht verwebt oder verstrickt wird, ist verdorbne Baumwolle. Die lebendige Arbeit muß diese Dinge ergreifen, sie von den Toten erwecken, sie aus nur möglichen in wirkliche und wirkende Gebrauchswerte verwandeln. Vom Feuer der Arbeit beleckt, als Leiber derselben angeeignet, zu ihren begriffs- und berufsmäßigen Funktionen im Prozeß begeistert, werden sie zwar auch verzehrt, aber zweckvoll, als Bildungselemente neuer Gebrauchswerte, neuer Produkte, die fähig sind, als Lebensmittel in die individuelle Konsumtion oder als Produktionsmittel in neuen Arbeitsprozeß einzugehn.

198:2 Wenn also vorhandne Produkte nicht nur Resultate, sondern auch Existenzbedingungen des Arbeitsprozesses sind, ist andererseits ihr Hineinwerfen in ihn, also ihr Kontakt mit lebendiger Arbeit, das einzige Mittel, um diese Produkte vergangner Arbeit als Gebrauchswerte zu erhalten und zu verwirklichen.

198:3 Die Arbeit verbraucht ihre stofflichen Elemente, ihren Gegenstand und ihr Mittel, verspeist dieselben und ist also Konsumtionsprozeß. Diese produktive Konsumtion unterscheidet sich dadurch von der individuellen Konsumtion, daß letztere die Produkte als Lebensmittel des lebendigen Individuums, erstere sie als Lebensmittel der Arbeit, seiner sich betätigenden Arbeitskraft, verzehrt. Das Produkt der individuellen Konsumtion ist daher der Konsument selbst, das Resultat der produktiven Konsumtion ein vom Konsumenten unterschiedenes Produkt.

[Summary]

Bringing everything together one arrives at a characterization of the labor process as a process which uses products to produce products.

290:3 In so far then, as its instruments and objects are themselves products, labor consumes products in order to create products, or in other words, consumes one set of products by turning them into means of production for another set.

↑ This characterization of the labor process is quite different from, one might even say the opposite of, its initial characterization given in 283:2/o, that it is a process between humans and nature in which humans mediate their metabolism with nature through their own conscious actions. ↓ Echoes of this initial characterization can be found (1) in history, since originally, the objective factors of the labor process were given by nature, and (2) even today in the extractive industries, in which the object of labor is still given by nature.

But, just as in the beginning, the only participants in the labor-process were man and the earth, which latter exists independently of man, so even now we still employ in the process many means of production, provided directly by Nature, that do not represent any combination of natural substances with human labor.

198:4 Sofern ihr Mittel und ihr Gegenstand selbst schon Produkte sind, verzehrt die Arbeit Produkte, um Produkte zu schaffen, oder vernutzt Produkte als Produktionsmittel von Produkten.

Wie der Arbeitsprozeß aber ursprünglich nur zwischen dem Menschen und der ohne sein Zutun vorhandenen Erde vorgeht, dienen in ihm immer noch auch solche Produktionsmittel, die von Natur vorhanden, keine Verbindung von Naturstoff und menschlicher Arbeit darstellen.

7.1.c. [The Capitalist's Role in the Production of Use-Values]

290:4/o The labor-process, resolved as above into its simple elementary factors, is human action with a view to the production of use-values, appropriation of natural substances to human requirements; it is the necessary condition for effecting exchange of matter between man and Nature; it is the everlasting Nature-imposed condition of human existence, and therefore is independent of every social phase of that existence, or rather, is common to every such phase.

Labor is always necessary, regardless of the labor process, as just described, does not depend on society. It was, therefore, not necessary to represent our laborer in connexion with other laborers; man and his labor on one side, Nature and its materials on the other, sufficed. As the taste of the porridge does not tell you who grew the oats, no more does this simple process tell you of itself what are the social conditions under which it is taking place,

198:5/o Der Arbeitsprozeß, wie wir ihn in seinen einfachen und abstrakten Momenten dargestellt haben, ist zweckmäßige Tätigkeit zur Herstellung von Gebrauchswerten, Aneignung des Natürlichen für menschliche Bedürfnisse, allgemeine Bedingung des Stoffwechsels zwischen Mensch und Natur, ewige Naturbedingung des menschlichen Lebens und daher unabhängig von jeder Form dieses Lebens, vielmehr allen seinen Gesellschaftsformen gleich gemeinsam.

social relations. The general structure of the

Wir hatten daher nicht nötig, den Arbeiter im Verhältnis zu andren Arbeitern darzustellen. Der Mensch und seine Arbeit auf der einen, die Natur und ihre Stoffe auf der andren Seite genügten. So wenig man dem Weizen anschmeckt, wer ihn gebaut hat, so wenig sieht man diesem Prozeß an, unter welchen Bedingungen er vorgeht, ob unter

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whether under the slave-owner's brutal lash, or the anxious eye of the capitalist, whether Cincinnatus carries it on in tilling his modest farm or a savage in killing wild animals with stones.⁹

⁹ By a wonderful feat of logical acumen, Colonel Torrens has discovered, in this stone of the savage the origin of capital. "In the first stone which he [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.)

↓ Marx comments on Torrens by adding another explanation which is just as absurd. This joke uses the fact that the German word for "stick" is "stock," therefore it has to be formulated differently in English than in German:

^{9 ctd} Since the German word for "stick" is "stock," this "first stick" would undoubtedly also explain why "stock" is synonymous with "capital."

This whole paragraph concludes the discussion that started with 283:1, but it is also sets the stage for a new turn. Right after emphasizing that the social order is irrelevant for the basic determinations of the production process, Marx discusses the role of the capitalist in it. We are not yet in the section about the creation of value, therefore Marx is not yet discussing the capitalist's function as the representative of the creation of surplus-value, but right now he is looking at the capitalist's function as the director of the production of use-values.

The first task of the capitalist concerning the use-value of the labor process is to buy the right kind of labor-power and means of production.

291:1 Let us now return to our would-be capitalist. We left him just after he had purchased, in the open market, all the necessary factors of the labor-process—its objective factors, the means of production, as well as its subjective factor, labor-power. With the cunning eye of an expert, he has selected the means of production and the kind of labor-power best adapted to his particular trade, be it spinning, bootmaking, or any other kind.

↑ This was described in 279:2. The word "cunning" is a reference to Hegel's "cunning of reason," see footnote 2 to paragraph 285:1/o. ↓ The capitalist is "cunning" because he uses the general nature of the labor-process for his own goals:

He then proceeds to consume the commodity, the labor-power that he has just bought, by causing the laborer, the impersonation of

der brutalen Peitsche des Sklavenaufsehers oder unter dem ängstlichen Auge des Kapitalisten, ob Cincinnatus ihn verrichtet in der Bestellung seiner paar jugera oder der Wilde, der mit einem Stein eine Bestie erlegt.⁹

⁹ Aus diesem höchst logischen Grund entdeckt wohl Oberst Torrens in dem Stein des Wilden—den Ursprung des Kapitals. „In dem ersten Stein, den der Wilde auf die Bestie wirft, die er verfolgt, in dem ersten Stock, den er ergreift, um die Frucht niederzuziehn, die er nicht mit den Händen fassen kann, sehn wir die Aneignung eines Artikels zum Zweck der Erwerbung eines andren und entdecken so—den Ursprung des Kapitals.“ (R. Torrens, „An Essay on the Production of Wealth etc.“, p. 70, 71.)

^{9 ctd} Aus jenem ersten Stock ist wahrscheinlich auch zu erklären, warum stock im Englischen synonym mit Kapital ist.

199:1 Kehren wir zu unsrem Kapitalisten in spe zurück. Wir verließen ihn, nachdem er auf dem Warenmarkt alle zu einem Arbeitsprozeß notwendigen Faktoren gekauft hatte, die gegenständlichen Faktoren oder die Produktionsmittel, den persönlichen Faktor oder die Arbeitskraft. Er hat mit schlauem Kennerblick die für sein besondres Geschäft, Spinnerei, Stiefelfabrikation usw., passenden Produktionsmittel und Arbeitskräfte ausgewählt.

Unser Kapitalist setzt sich also daran, die von ihm gekaufte Ware, die Arbeitskraft, zu konsumieren, d.h., er lässt den Träger der Ar-

that labor-power, to consume the means of production by his labor. The general character of the labor-process is evidently not changed by the fact, that the laborer works for the capitalist instead of for himself.

↑ The fact that this production process is a capitalistic production process does not alter the *general* nature of the labor process. ↓ At first, the entry of the capitalist into the production process also does *not yet* change its *specific* mode, since the early capitalists simply took the labor as it had evolved from the previous modes of production.

But also the particular methods and operations employed in bootmaking or spinning are not immediately changed by the intervention of the capitalist. He must begin by taking the labor-power as he finds it in the market, and consequently be satisfied with labor of such a kind as would be found in the period immediately preceding the rise of capitalists.

We are discussion at this point how the capitalist is taking advantage of the general nature of the labor-process. ↓ The question how this capitalist framework acts back on the labor-process and changes its specific nature can only be discussed after we know what this framework is.

Changes in the methods of production by the subordination of labor to capital, can take place only at a later period, and therefore will have to be treated of in a later chapter.

↓ Even without a change in the labor process itself, the capitalist framework has the following two implications:

291:2 The labor-process, turned into the process by which the capitalist consumes labor-power, exhibits two characteristic phenomena.

↓ Not the laborer, but the capitalist has command and control over the labor process. (We are so familiar with this that it is no longer easy for us to appreciate how absurd and contradictory this situation is.)

291:3 First, the laborer works under the control of the capitalist to whom his labor belongs; the capitalist taking good care that the work is done in a proper manner, and that the means of production are used with intelligence, so that there is no unnecessary waste of raw material, and no wear and tear of the implements beyond what is necessarily caused by the work.

↓ From the point of view of the capitalist, the labor process is the consumption of the

beitskraft, den Arbeiter, die Produktionsmittel durch seine Arbeit konsumieren. Die allgemeine Natur des Arbeitsprozesses ändert sich natürlich nicht dadurch, daß der Arbeiter ihn für den Kapitalisten, statt für sich selbst verrichtet.

Aber auch die bestimmte Art und Weise, wie man Stiefel macht oder Garn spinnt, kann sich zunächst nicht ändern durch die Dazwischenkunft des Kapitalisten. Er muß die Arbeitskraft zunächst nehmen, wie er sie auf dem Markt vorfindet, also auch ihre Arbeit, wie sie in einer Periode entsprang, wo es noch keine Kapitalisten gab.

Die Verwandlung der Produktionsweise selbst durch die Unterordnung der Arbeit unter das Kapital kann sich erst später ereignen und ist daher erst später zu betrachten.

199:2 Der Arbeitsprozeß, wie er als Konsumtionsprozeß der Arbeitskraft durch den Kapitalisten vorgeht, zeigt nun zwei eigenständliche Phänomene.

199:3/o Der Arbeiter arbeitet unter der Kontrolle des Kapitalisten, dem seine Arbeit gehört. Der Kapitalist paßt auf, daß die Arbeit ordentlich vonstatten geht und die Produktionsmittel zweckmäßig verwandt werden, also kein Rohmaterial vergeudet und das Arbeitsinstrument geschont, d.h. nur so weit zerstört wird, als sein Gebrauch in der Arbeit ernötigt.

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commodity labor-power which he bought.

292 Secondly, the product is the property of the capitalist and not that of the laborer, its immediate producer. Suppose that a capitalist pays for a day's labor-power at its value; then the right to use that power for a day belongs to him, just as much as the right to use any other commodity, such as a horse that he has hired for the day. To the purchaser of a commodity belongs its use, and the seller of labor-power, by giving his labor, does no more, in reality, than part with the use-value that he has sold. From the instant he steps into the workshop, the use-value of his labor-power, and therefore also its use, which is labor, belongs to the capitalist.

↓ The capitalist also owns the means of production:

By the purchase of labor-power, the capitalist incorporates labor, as a living ferment, with the lifeless constituents of the product, which belong to him as well. From his point of view, the labor-process is nothing more than the consumption of the commodity purchased, *i.e.*, of labor-power; but this consumption cannot be effected except by supplying the labor-power with the means of production. The labor-process is a process between things that the capitalist has purchased, things that have become his property. The product of this process belongs, therefore, to him, just as much as does the wine which is the product of a process of fermentation completed in his cellar.¹⁰

↓ Therefore the product belongs to the capitalist as well.

¹⁰ "Products are appropriated before they are converted into capital; this conversion does not secure them from such appropriation." (Cherbuliez: "Richesse ou Pauvreté," edit. Paris, 1841, p. 54.) "The Proletarian, by selling his labor for a definite quantity of the necessities of life, renounces all claim to a share in the product. The mode of appropriation of the products remains the same as before; it is in no way altered by the bargain we have mentioned. The product belongs exclusively to the capitalist, who supplied the raw material and the necessities of life; and this is a rigorous consequence of the law of ap-

200:1 Zweitens aber: Das Produkt ist Eigentum des Kapitalisten, nicht des unmittelbaren Produzenten, des Arbeiters. Der Kapitalist zahlt z.B. den Tageswert der Arbeitskraft. Ihr Gebrauch, wie der jeder andren Ware, z.B. eines Pferdes, das er für einen Tag gemietet, gehört ihm also für den Tag. Dem Käufer der Ware gehört der Gebrauch der Ware, und der Besitzer der Arbeitskraft gibt in der Tat nur den von ihm verkauften Gebrauchswert, indem er seine Arbeit gibt. Von dem Augenblicke, wo er in die Werkstätte des Kapitalisten tritt, gehörte der Gebrauchswert seiner Arbeitskraft, also ihr Gebrauch, die Arbeit, dem Kapitalisten.

Der Kapitalist hat durch den Kauf der Arbeitskraft die Arbeit selbst als lebendigen Gärungsstoff den toten ihm gleichfalls gehörigen Bildungselementen des Produkts einverleibt. Von seinem Standpunkt ist der Arbeitsprozeß nur die Konsumtion der von ihm gekauften Ware Arbeitskraft, die er jedoch nur konsumieren kann, indem er ihr Produktionsmittel zusetzt. Der Arbeitsprozeß ist ein Prozeß zwischen Dingen, die der Kapitalist gekauft hat, zwischen ihm gehörigen Dingen. Das Produkt dieses Prozesses gehört ihm daher ganz ebenso sehr als das Produkt des Gärungsprozesses in seinem Weinkeller.¹⁰

¹⁰ „Die Produkte sind appropriiert, bevor sie in Kapital verwandelt werden; diese Verwandlung entzieht sie nicht jener Appropriation.“ (Cherbuliez, „Richesse ou Pauvreté“, édit. Paris 1841, p. 54.) „Indem der Proletarier seine Arbeit gegen ein bestimmtes Quantum Lebensmittel (approvisionnement) verkauft, verzichtet er vollständig auf jeden Anteil am Produkt. Die Appropriation der Produkte bleibt dieselbe wie vorher; sie ist in keiner Weise durch die erwähnte Konvention verändert. Das Produkt gehört ausschließlich dem Kapitalisten, der die Rohstoffe und das Approvisionnement geliefert hat. Es ist dies ei-

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propriation, a law whose fundamental principle was the very opposite, namely, that every laborer has an exclusive right to the ownership of what he produces.” (l. c., p. 58.) “When the laborers receive wages for their labor … the capitalist is then the owner not of the capital only” (he means the means of production) “but of the labor also. If what is paid as wages is included, as it commonly is, in the term capital, it is absurd to talk of labor separately from capital. The word capital as thus employed includes labor and capital both.” (James Mill: “Elements of Pol. Econ.” etc., Ed. 1821, pp. 70, 71.)

To recapitulate these two points:

- (1) The laborer works under the control of the capitalist (as opposed to working only under the necessities imposed by the labor process itself, or else as opposed to a free commodity producer)
- (2) The product belongs to the capitalist, because he owns all the ingredients going into production.

ne strenge Konsequenz des Gesetzes der Appropriation, dessen Fundamentalprinzip umgekehrt das ausschließliche Eigentumsrecht jedes Arbeiters an seinem Produkte war.“ (ibid., p. 58.) James Mill, „Elements of Pol. Econ. etc.“, p. 70, 71: „Wenn die Arbeiter für Arbeitslohn arbeiten, ist der Kapitalist Eigentümer nicht nur des Kapitals“ (meint hier die Produktionsmittel), „sondern auch der Arbeit (of the labour also). Wenn man das, was für Arbeitslohn gezahlt wird, wie dies gebräuchlich, in den Begriff Kapital einschließt, ist es abgeschmackt, von der Arbeit getrennt vom Kapital zu sprechen. Das Wort Kapital in diesem Sinn schließt beides ein, Kapital und Arbeit.“

7.2. Valorization Process

Marx begins his discussion of the valorization process not with the laborer engaged in the labor process, but with the capitalist—and not with the actions of the capitalist, but with his intentions what to do with the product he owns. He intends to earn a profit from the sale of the product. This intention puts the value aspect of the production process into the foreground.

293:1 The product appropriated by the capitalist is a use-value, such as yarn, for example, or boots. But, although boots are, in one sense, the basis of all social progress, and our capitalist is a decided “progressist,” yet he does not manufacture boots for their own sake. Use-value is, by no means, the thing “which one loves for its own sake” in the production of commodities.

Although the product of the labor-process is a use-value, the purpose of the capitalist is not the use-value but the social relations attached to this use-value. (This is like going to the store and buying something not for the sake of the thing itself but for the packaging in which this thing comes.)

Use-values are only produced by capitalists, because, and in so far as, they are the material substratum, the carriers of exchange-value. Our capitalist has two objects in view: in the first place, he wants to produce a use-value that has a value in exchange, that is to say, an article destined to

200:2/o Das Produkt—das Eigentum des Kapitalisten—ist ein Gebrauchswert, Garn, Stiefel usw. Aber obgleich Stiefel z.B. gewissermaßen die Basis des gesellschaftlichen Fortschritts bilden und unser Kapitalist ein entschiedner Fortschrittsmann ist, fabriziert er die Stiefel nicht ihrer selbst wegen.

Der Gebrauchswert ist überhaupt nicht das Ding qu'on aime pour lui-même in der Warenproduktion. Gebrauchswerte werden hier überhaupt nur produziert, weil und sofern sie materielles Substrat, Träger des Tauschwerts sind. Und unserem Kapitalisten handelt es sich um zweierlei. Erstens will

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be sold, a commodity; and secondly, he desires to produce a commodity whose value shall be greater than the sum of the values of the commodities used in its production, that is, of the means of production and the labor-power, that he purchased with his good money in the open market. His aim is to produce not only a use-value, but a commodity also; not only use-value, but value; not only value, but at the same time surplus-value.

↑ It is the goal of the capitalist to make surplus-value. This is not only his goal but also his expectation, and we will see later on in this chapter that the capitalist becomes very angry if this expectation is not met. What is the basis for this so strongly held expectation?

Two different kinds of mechanisms are at work. In order to create surplus-value, the capitalist must first of all create value—and this is achieved by the simple fact that he produces commodities. Marx first says a word about this. Then Marx asks: what, in addition to selling commodities, must the capitalist do in order to gain surplus-value?

7.2.a. [Creation of Value]

As to the creation of value, this goal of the capitalist is satisfied simply because capitalist production is commodity production:

293:2 And indeed, since we are dealing with the production of commodities here, we obviously have only considered one aspect of the process so far. Just as commodities are at the same time use-values and values, so the process of producing them must be a labor-process, and at the same time, a process of creating value.^{10a}

Marx already argued in chapter One that the labor producing commodities has a double character, i.e., that the immaterial value substance is produced during the production process along with the use-value of the commodity. Now he looks at the implications of this general social fact under the present situation where the production process is a capitalist production process.

^{10a} As has been stated in a previous note, the English language has two different expressions for these two different aspects of labor: in the Simple Labor-process, the process of producing Use-Values, it is *Work*; in the process of creation of Value, it is *Labor*, taking the term in its strictly economic sense.—F. E.

er einen Gebrauchswert produzieren, der einen Tauschwert hat, einen zum Verkauf bestimmten Artikel, eine Ware. Und zweitens will er eine Ware produzieren, deren Wert höher als die Wertsumme der zu ihrer Produktion erheischten Waren, der Produktionsmittel und der Arbeitskraft, für die er sein gutes Geld auf dem Warenmarkt vorschoß. Er will nicht nur einen Gebrauchswert produzieren, sondern eine Ware, nicht nur Gebrauchswert, sondern Wert, und nicht nur Wert, sondern auch Mehrwert.

201:1 In der Tat, da es sich hier um Warenproduktion handelt, haben wir bisher offenbar nur eine Seite des Prozesses betrachtet. Wie die Ware selbst Einheit von Gebrauchswert und Wert, muß ihr Produktionsprozeß Einheit von Arbeitsprozeß und Wertbildungsprozeß sein.

[No footnote in the German edition]

Question 617 (Fri Oct 29–Mon Nov 1) How does the double character of labor discussed in chapter One, section 1.2, differ from the double character of the production process discussed in chapter Seven?

293:3 Let us now examine production as a creation of value.

Since this two-edged character of the labor-process has already been discussed in chapter One, section 1.2, Marx emphasizes only those aspects which are especially relevant for the question at hand. The things he says here about the value transfer of the means of production will be elaborated on more systematically in the next chapter.

293:4a We know that the value of each commodity is determined by the amount of labor materialised in it, by the working time necessary, under given social conditions, for its production. This rule also holds good for the product that accrued to our capitalist, as the result of the labor-process carried on for him. Our first step is to calculate the quantity of labor objectified in it.

He looks at the process quantitatively only, and he looks in detail at the role of the means of production.

293:4b Let us assume this product is 10 lbs. of yarn.

The labor-time in the product consists of two parts: the labor materialized in the means of production, and the new labor. First Marx looks at the labor materialized in the means of production.

293:5/o For spinning the yarn, raw material is required; suppose in this case 10 lbs. of cotton. There is no need to investigate the value of this cotton, for our capitalist has, we will assume, bought it at its full value, say of \$2.40. In this price the labor required for the production of the cotton is already expressed in terms of the average labor of society. We will further assume that the wear and tear of the spindle, which, for our present purpose, may represent all other instruments of labor employed, amounts to the value of 48 cents. If, then, twenty-four hours' labor, or two working-days, are required to produce the quantity of gold represented by \$2.88, we have here, to begin with, two days' labor already incorporated in the yarn.

↑ These two labor-days only represent the value transferred by the spinning labor from the instruments and materials, not yet the value newly created by the spinning labor. ↓ Next Marx justifies why the value of the materials is indeed transferred in the production process. Compare also the discussion of this issue in the next chapter, from p. 314:1/o onward.

(1) His first argument does not yet give a concrete explanation, but it addresses an objection. One should not be disturbed that value goes from one use-value to the other, because in the exchange, value also migrates from one use-value to another.

201:2 Betrachten wir den Produktionsprozeß nun auch als Wertbildungsprozeß.

201:3 Wir wissen, daß der Wert jeder Ware bestimmt ist durch das Quantum der in ihrem Gebrauchswert materialisierten Arbeit, durch die zu ihrer Produktion gesellschaftlich notwendige Arbeitszeit. Dies gilt auch für das Produkt, das sich unsrem Kapitalisten als Resultat des Arbeitsprozesses ergab. Es ist also zunächst die in diesem Produkt vergegenständlichte Arbeit zu berechnen.

201:4 Es sei z.B. Garn.

201:5 Zur Herstellung des Garns war zuerst sein Rohmaterial nötig, z.B. 10 Pfund Baumwolle. Was der Wert der Baumwolle, ist nicht erst zu untersuchen, denn der Kapitalist hat sie auf dem Markt zu ihrem Wert, z.B. zu 10 sh. gekauft. In dem Preise der Baumwolle ist die zu ihrer Produktion erheischte Arbeit schon als allgemein gesellschaftliche Arbeit dargestellt. Wir wollen ferner annehmen, daß die in der Verarbeitung der Baumwolle verzehrte Spindelmasse, die uns alle andren aufgewandten Arbeitsmittel repräsentiert, einen Wert von 2 sh. besitzt. Ist eine Goldmasse von 12 sh. das Produkt von 24 Arbeitsstunden oder zwei Arbeitstagen, so folgt zunächst, daß im Garn zwei Arbeitstage vergegenständlicht sind.

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294:1 We must not let ourselves be misled by the circumstance that the cotton has taken a new shape while the substance of the spindle has to a certain extent been used up.

↑ If value is intrinsic in the commodity, the spindle be preserved if the spindle itself is used up? ↓ Marx argues that spinning is not an activity which destroys the value of the things it uses:

By the general law of value, if the value of 40 lbs. of yarn = the value of 40 lbs. of cotton + the value of a whole spindle, i.e., if the same working time is required to produce the commodities on either side of this equation, then 10 lbs. of yarn are an equivalent for 10 lbs. of cotton, together with one-fourth of a spindle. In the case we are considering the same working time is materialised in the 10 lbs. of yarn on the one hand, and in the 10 lbs. of cotton and the fraction of a spindle on the other. Therefore it makes no difference to the value whether it appears in cotton, in a spindle, or in yarn. If spindle and cotton, instead of resting quietly side by side, join together in the spinning process, which alters their forms and turns them into yarn, their value is no more affected by this than it would be if they had been simply exchanged for their equivalent in yarn.

↓ (2) After having clarified that value can take different use-value forms, the value transfer from the means of production to the end product can be argued by comparison with one “vertically integrated” production process in which some kinds of labor are spent first and different kinds of labor afterwards:

294:2 The labor required for the production of the cotton, the raw material of the yarn, is part of the labor necessary to produce the yarn, and is therefore contained in the yarn. The same applies to the labor embodied in the spindle, without whose wear and tear the cotton could not be spun.¹¹

¹¹ Not only the labor applied immediately to commodities affects their value, but the labor also which is bestowed on the implements, tools, and buildings, with which such labor is assisted.

202:1 Der Umstand, daß die Baumwolle ihre Form verändert hat und die aufgezehrte Spindelmasse ganz verschwunden ist, darf nicht beirren.

the question arises: how can the value of the the question arises: how can the value of the

Nach dem allgemeinen Wertgesetz sind z.B. 10 Pfund Garn ein Äquivalent für 10 Pfund Baumwolle und 1/4 Spindel, wenn der Wert von 40 Pfund Garn = dem Wert von 40 Pfund Baumwolle + dem Wert einer ganzen Spindel, d.h., wenn dieselbe Arbeitszeit erfordert ist, um beide Seiten dieser Gleichung zu produzieren. In diesem Fall stellt sich dieselbe Arbeitszeit das eine Mal in dem Gebrauchswert Garn, das andre Mal in den Gebrauchswerten Baumwolle und Spindel dar. Der Wert ist also gleichgültig dagegen, ob er in Garn, Spindel oder Baumwolle erscheint. Daß Spindel und Baumwolle, statt ruhig nebeneinander zu liegen, im Spinnprozesse eine Verbindung eingehen, welche ihre Gebrauchsformen verändert, sie in Garn verwandelt, berührt ihren Wert ebensowenig, als wenn sie durch einfachen Austausch gegen ein Äquivalent von Garn umgesetzt worden wären.

202:2 Die zur Produktion der Baumwolle erheischte Arbeitszeit ist Teil der zur Produktion des Garns, dessen Rohmaterial sie bildet, erheischten Arbeitszeit und deshalb im Garn enthalten. Ebenso verhält es sich mit der Arbeitszeit, die zur Produktion der Spindelmasse erheischt ist, ohne deren Verschleiß oder Konsum die Baumwolle nicht versponnen werden kann.¹¹

¹¹ „Nicht nur die auf Waren unmittelbar angewandte Arbeit beeinflußt ihren Wert, sondern auch die Arbeit, die auf Geräte, Werkzeuge und Gebäude verwendet worden ist, welche die unmittelbar verausgabte Arbeit unterstützen.“ (Ricardo, l.c. p. 16.)

7.2. Valorization Process

Question 618 (*Fri Oct 29–Mon Nov 1*) In chapter Seven, Marx gives two different explanations why the value of the means of production is transferred in the production process. Briefly summarize these two explanations. Which one is the right explanation?

↓ Now Marx is ready to explain how the value of the means of production is transferred in the production process: production of means of production can just be considered an earlier phase of the same production process.

294:3/o Hence, in determining the value of the yarn, or the labor-time required for its production, all the special processes carried on at various times and in different places, which were necessary, first to produce the cotton and the wasted portion of the spindle, and then with the cotton and spindle to spin the yarn, may together be looked on as different and successive phases of one and the same process. The whole of the labor in the yarn is past labor; and it is a matter of no importance that the operations necessary for the production of its constituent elements were carried on at times which, referred to the present, are more remote than the final operation of spinning. If a definite quantity of labor, say thirty days, is requisite to build a house, the total amount of labor incorporated in it is not altered by the fact that the work of the last day is done twenty-nine days later than that of the first. Therefore the labor contained in the raw material and the instruments of labor can be treated just as if it were labor expended in an earlier stage of the spinning process, before the labor of actual spinning commenced.

↓ The value transfer is therefore justified.

295:1 The values of the means of production, *i.e.*, the cotton and the spindle, which values are expressed in the price of \$4.88, are therefore constituent parts of the value of the yarn, or, in other words, of the value of the product.

So far it sounds as if the production of value was automatic. Since the yarn is a commodity bought on the market, it has already passed the test of the market, therefore its value is socially recognized. Does this mean the capitalist cannot do anything wrong? Marx gives

202:3/o Soweit also der Wert des Garns, die zu seiner Herstellung erheischte Arbeitszeit, in Betracht kommt, können die verschiedenen besondren, der Zeit und dem Raum nach getrennten Arbeitsprozesse, die durchlaufen werden müssen, um die Baumwolle selbst und die vernutzte Spindelmasse zu produzieren, endlich aus Baumwolle und Spindel Garn zu machen, als verschiedene aufeinander folgende Phasen eines und desselben Arbeitsprozesses betrachtet werden. Alle im Garn enthaltne Arbeit ist vergangne Arbeit. Daß die zur Produktion seiner Bildungselemente erheischte Arbeitszeit früher vergangen ist, im Plusquamperfektum steht, dagegen die zum Schlußprozeß, dem Spinnen, unmittelbar verwandte Arbeit dem Präsens näher, im Perfektum steht, ist ein durchaus gleichgültiger Umstand. Ist eine bestimmte Masse Arbeit, z.B. von 30 Arbeitstagen, zum Bau eines Hauses nötig, so ändert es nichts am Gesamtquantum der dem Hause einverleibten Arbeitszeit, daß der 30. Arbeitstag 29 Tage später in die Produktion einging als der erste Arbeitstag. Und so kann die im Arbeitsmaterial und Arbeitsmittel enthaltne Arbeitszeit ganz so betrachtet werden, als wäre sie nur in einem früheren Stadium des Spinnprozesses verausgabt worden, vor der zuletzt unter der Form des Spinnens zugesetzten Arbeit.

203:1 Die Werte der Produktionsmittel, der Baumwolle und der Spindel, ausgedrückt in dem Preise von 12 sh., bilden also Bestandteile des Garnwerts oder des Werts des Produkts.

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now two conditions for this value transfer, which the capitalist must watch over: (1) product must be a use-value, and (2) production must be such that it uses no more than the socially necessary labor-time, i.e., no waste of materials etc.

295:2 Two conditions must nevertheless be fulfilled. First, the cotton and spindle must concur in the production of a use-value; they must in the present case become yarn. Value is independent of the particular use-value by which it is borne, but it must be embodied in a use-value of some kind. Secondly, the time occupied in the labor of production must not exceed the time really necessary under the given social conditions of the case. Therefore, if no more than 1 lb. of cotton be requisite to spin 11 lbs. of yarn, care must be taken that no more than this weight of cotton is consumed in the production of 11 lbs. of yarn; and similarly with regard to the spindle. Though the capitalist have a hobby, and use a gold instead of a steel spindle, yet the only labor that counts for anything in the value of the yarn is that which would be required to produce a steel spindle, because no more is necessary under the given social conditions.

We know now how much value was transferred to the yarn from spindles and cotton. Now Marx discusses the value newly added by spinning labor.

295:3 We now know what portion of the value of the yarn is owing to the cotton and the spindle. It amounts to \$4.88 or the materialization of two days of labor. The next point for our consideration is, what portion of the value of the yarn is added to the cotton by the labor of the spinner.

The Moore-Aveling translation has “value of two days’ work,” which is an unfortunate formulation since

labor has no value. The above translation adopted Fowkes’s “materialization of two days of

labor.”

203:2 Nur sind zwei Bedingungen zu erfüllen. Einmal müssen Baumwolle und Spindel wirklich zur Produktion eines Gebrauchswerts gedient haben. Es muß in unsrem Fall Garn aus ihnen geworden sein. Welcher Gebrauchswert ihn trägt, ist dem Wert gleichgültig, aber ein Gebrauchswert muß ihn tragen. Zweitens ist vorausgesetzt, daß nur die unter den gegebenen gesellschaftlichen Produktionsbedingungen notwendige Arbeitszeit verwandt wurde. Wäre also nur 1 Pfund Baumwolle nötig, um 1 Pfund Garn zu spinnen, so darf nur 1 Pfund Baumwolle verzehrt sein in der Bildung von 1 Pfund Garn. Ebenso verhält es sich mit der Spindel. Hat der Kapitalist die Phantasie, goldne statt eiserner Spindeln anzuwenden, so zählt im Garnwert dennoch nur die gesellschaftlich notwendige Arbeit, d.h. die zur Produktion eiserner Spindeln notwendige Arbeitszeit.

203:3 Wir wissen jetzt, welchen Teil des Garnwerts die Produktionsmittel, Baumwolle und Spindel, bilden. Er ist gleich 12 sh. oder die Materiatur von zwei Arbeitstagen. Es handelt sich also nun um den Wertteil, welchen die Arbeit des Spinners selbst der Baumwolle zusetzt.

Labor must now be considered under a different angle than in the labor process.

295:4/o We have now to consider this labor under a very different aspect from that which it had during the labor-process.

First Marx briefly recaps the labor process, There, we viewed it solely as that particular kind of human activity which changes cotton into yarn; there, the more the labor was suited to the work, the better the yarn, other

203:4/o Wir haben diese Arbeit jetzt von einem ganz andren Gesichtspunkte zu betrachten, als während des Arbeitsprozesses.

Dort handelte es sich um die zweckmäßige Tätigkeit, Baumwolle in Garn zu verwandeln. Je zweckmäßiger die Arbeit, desto besser das Garn, alle andren Umstände

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circumstances remaining the same. The labor of the spinner was then viewed as specifically different from other kinds of productive labor, different on the one hand in its special aim, viz., spinning, different, on the other hand, in the special character of its operations, in the special nature of its means of production and in the special use-value of its product. For the operation of spinning, cotton and spindles are a necessity, but for making rifled cannon they would be of no use whatever.

Although this last sentence seems a blatant truism, it is no longer true now that we are concerned with value-creating labor:

Here, on the contrary, where we consider the labor of the spinner only so far as it is value-creating, *i.e.*, a source of value, his labor differs in no respect from the labor of the man who bores cannon, or (what here more nearly concerns us), from the labor of the cotton-planter and spindle-maker incorporated in the means of production.

↓ Due to this homogeneity of labor, the different labors performed during the various stages of production of the finished product can be added together in order to form the value of this product.

It is solely by reason of this identity, that cotton planting, spindle making and spinning, are capable of forming the component parts differing only quantitatively from each other, of one whole, namely, the value of the yarn. Here, we have nothing more to do with the quality, the nature and the specific character of the labor, but merely with its quantity.

In real life, this quantity would be a weighted sum. But for simplicity, Marx assumes here that all labor is simple labor, therefore a simple addition is sufficient.

This quantity is to be counted as that of simple labor. We assume that spinning is simple, unskilled labor, the average labor of the given society. Hereafter we shall see that the contrary assumption would not change the matter at hand.

↑ To recapitulate: Labor process: quality counts, qualitatively different from other labors. Process of valorization: qualitatively identical with other labors, only quantity counts. The properties of the process of the creation of value are therefore exactly the opposite of those of the labor process.

Differences between labor process and valorization process regarding their quantitative

als gleichbleibend vorausgesetzt. Die Arbeit des Spinners war spezifisch verschieden von andren produktiven Arbeiten, und die Verschiedenheit offenbarte sich subjektiv und objektiv, im besondren Zweck des Spinnens, seiner besondren Operationsweise, der besondren Natur seiner Produktionsmittel, dem besondren Gebrauchswert seines Produkts. Baumwolle und Spindel dienen als Lebensmittel der Spinnarbeit, aber man kann mit ihnen keine gezogenen Kanonen machen.

Sofern die Arbeit des Spinners dagegen wertbildend ist, d.h. Wertquelle, ist sie durchaus nicht verschieden von der Arbeit des Kanonenbohrers, oder, was uns hier näher liegt, von den in den Produktionsmitteln des Garns verwirklichten Arbeiten des Baumwollpflanzers und des Spindelmachers.

Nur wegen dieser Identität können Baumwollpflanzen, Spindelmachen und Spinnen bloß quantitativ verschiedene Teile desselben Gesamtwerts, des Garnwerts, bilden. Es handelt sich hier nicht mehr um die Qualität, die Beschaffenheit und den Inhalt der Arbeit, sondern nur noch um ihre Quantität.

Diese ist einfach zu zählen. Wir nehmen an, daß die Spinnarbeit einfache Arbeit, gesellschaftliche Durchschnittsarbeit ist. Man wird später sehn, daß die gegenteilige Annahme nichts an der Sache ändert.

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measure.

↓ Only labor-time counts:

296:1 While the laborer is at work, his labor constantly undergoes a transformation: from being motion, it becomes an object without motion; from being the laborer working, it becomes the thing produced. At the end of one hour's spinning, that act is represented by a definite quantity of yarn; in other words, a definite quantity of labor, namely that of one hour, has become embodied in the cotton.

Two things always happen: (1) Yarn is produced, and (2) labor-power is used up. If the yarn is a commodity, then also a third thing happens: (3) the labor-power used up in the production of the yarn is congealed in the yarn and forms its value.

We say labor, *i.e.*, the expenditure of his vital force by the spinner, and not spinning labor, because the special work of spinning counts here only so far as it is the expenditure of labor-power in general, and not in so far as it is the specific work of spinning.

↑ This “congelation” is not a physical but a social process. ↓ Its elusive social character is brought home by the fact that not the actual labor-time but the socially necessary labor-time counts in this congelation.

296:2 In the process we are now considering it is of extreme importance, that no more time be consumed in the work of transforming the cotton into yarn than is necessary under the given social conditions. If under normal, *i.e.*, average social conditions of production, a pounds of cotton ought to be made into b pounds of yarn by one hour's labor, then a day's labor does not count as 12 hours' labor unless 12 a pounds of cotton have been made into 12 b pounds of yarn; for in the creation of value, the time that is socially necessary alone counts.

↓ Also means of labor and product appear now in a different light, in which their properties are turned into their opposites. Means of labor are absorbers of labor, and the product is only a measure for the absorbed labor.

296:3/o Not only the labor, but also the raw material and the product now appear in quite a new light, very different from that in which we viewed them in the labor-process pure and simple. The raw material serves now merely as an absorbent of a definite

204:1 Während des Arbeitsprozesses setzt sich die Arbeit beständig aus der Form der Unruhe in die des Seins, aus der Form der Bewegung in die der Gegenständlichkeit um. Am Ende einer Stunde ist die Spinnbewegung in einem gewissen Quantum Garn dargestellt, also ein bestimmtes Quantum Arbeit, eine Arbeitsstunde, in der Baumwolle vergegenständlicht.

Wir sagen Arbeitsstunde, d.h. die Verausgabung der Lebenskraft des Spinners während einer Stunde, denn die Spinnarbeit gilt hier nur, soweit sie Verausgabung von Arbeitskraft, nicht soweit sie die spezifische Arbeit des Spinnens ist.

204:2 Es ist nun entscheidend wichtig, daß während der Dauer des Prozesses, d.h. der Verwandlung von Baumwolle in Garn, nur die gesellschaftlich notwendige Arbeitszeit verzehrt wird. Müssen unter normalen, d.h. durchschnittlichen gesellschaftlichen Produktionsbedingungen, a Pfund Baumwolle während einer Arbeitsstunde in b Pfund Garn verwandelt sein, so gilt nur der Arbeitstag als Arbeitstag von 12 Stunden, der $12 \times a$ Pfund Baumwolle in $12 \times b$ Pfund Garn verwandelt. Denn nur die gesellschaftlich notwendige Arbeitszeit zählt als wertbildend.

204:3 Wie die Arbeit selbst, so erscheint hier auch Rohmaterial und Produkt in einem ganz andren Licht als vom Standpunkt des eigentlichen Arbeitsprozesses. Das Rohmaterial gilt hier nur als Aufsauger eines bestimmten Quantums Arbeit. Durch die-

quantity of labor. By this absorption it is in fact changed into yarn, because it is spun, because labor-power in the form of spinning is added to it; but the product, the yarn, is now nothing more than a measure of the labor absorbed by the cotton. If in one hour 1 2/3 lbs. of cotton can be spun into 1 2/3 lbs. of yarn, then 10 lbs. of yarn indicate the absorption of 6 hours' labor. Definite quantities of product, these quantities being determined by experience, now represent nothing but definite quantities of labor, definite masses of crystallised labor-time. They are nothing more than the materialisation of so many hours or so many days of social labor.

↓ The specific character of the product is irrelevant, and it is also irrelevant that the means of labor may already be products.

297:1 We are here no more concerned about the facts, that the labor is the specific work of spinning, that its object is cotton and its product yarn, than we are about the fact that the object itself is already a product and therefore raw material. If the spinner, instead of spinning, were working in a coal mine, the object of his labor, the coal, would be supplied by Nature; nevertheless, a definite quantity of extracted coal, a hundredweight for example, would represent a definite quantity of absorbed labor.

While concrete labors are very different from each other, and they need special attention because of all the unforeseen circumstances, the abstract value-creating labor is homogeneous. Whether the product is linen or coal, both represent abstract human labor.

se Aufsaugung verwandelt es sich in der Tat in Garn, weil die Arbeitskraft in der Form der Spinnerei verausgabt und ihm zugesetzt wurde. Aber das Produkt, das Garn, ist jetzt nur noch Gradmesser der von der Baumwolle eingesaugten Arbeit. Wird in einer Stunde 1 2/3 Pfund Baumwolle versponnen oder in 1 2/3 Pfund Garn verwandelt, so zeigen 10 Pfund Garn 6 eingesaugte Arbeitsstunden an. Bestimmte und erfahrungsmäßig festgestellte Quanta Produkt stellen jetzt nichts dar als bestimmte Quanta Arbeit, bestimmte Masse festgeronnener Arbeitszeit. Sie sind nur noch Materiatur von einer Stunde, zwei Stunden, einem Tag gesellschaftlicher Arbeit.

204:4 Daß die Arbeit grade Spinnarbeit, ihr Material Baumwolle und ihr Produkt Garn, wird hier ebenso gleichgültig, als daß der Arbeitsgegenstand selbst schon Produkt, also Rohmaterial ist. Wäre der Arbeiter, statt in der Spinnerei, in der Kohlengrube beschäftigt, so wäre der Arbeitsgegenstand, die Kohle, von Natur vorhanden. Dennoch stellte ein bestimmtes Quantum aus dem Bett losgebrochener Kohle, z.B. ein Zentner, ein bestimmtes Quantum aufgesaugter Arbeit dar.

7.2.b. [Creation of Surplus-Value]

After having discussed how value is created and how its quantity is measured, Marx looks now at the creation of surplus-value. For this he must compare the value created with the capitalist's costs. In his initial attempt, Marx considers the value product of 6 hours of labor, because the wages given to the laborer represent 6 labor hours. This assumption is fair to the worker—why should he or she work more than 6 hours if the pay is only an equivalent of 6 hours? However it turns out that the capitalist is not satisfied with this assumption, because no surplus-value is created. Let us follow this argument step by step:

297:2 We assumed, on the occasion of its sale, that the value of a day's labor-power is 72 cents, and that six hours' labor is incorporated in that sum; and consequently that this amount of labor is requisite to produce

205:1 Beim Verkauf der Arbeitskraft ward unterstellt, daß ihr Tageswert = 3 sh., und in den letztern 6 Arbeitsstunden verkörpert sind, dies Arbeitsquantum also erheischt ist, um die Durchschnittssumme

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the necessities of life daily required on an average by the laborer. If now our spinner by working for one hour, can convert 1 2/3 lbs. of cotton into 1 2/3 lbs. of yarn,¹² it follows that in six hours he will convert 10 lbs. of cotton into 10 lbs. of yarn. Hence, during the spinning process, the cotton absorbs six hours' labor. The same quantity of labor is also embodied in a piece of gold of the value of 72 cents. Consequently by the mere labor of spinning, a value of 72 cents is added to the cotton.

¹² These figures are quite arbitrary.

↑ Although the figures are arbitrary, the assumption which Marx makes here is very natural, as natural as the other assumptions made: namely, that the worker's wage represents an equivalent of the value he or she produces. ↓ In this situation, the transition from the labor process to the valorization process consists again, as before, in a simple re-interpretation of the same actual process; the value of the product equals the sum of the capitalists's outlays.

297:3 Let us now consider the total value of the product, the 10 lbs. of yarn. Two and a half days' labor has been embodied in it, of which two days were contained in the cotton and in the substance of the spindle worn away, and half a day was absorbed during the process of spinning. This two and a half days' labor is also represented by a piece of gold of the value of \$3.60. Hence, \$3.60 is an adequate price for the 10 lbs. of yarn, or the price of one pound is 36 cents.

↓ But this result does not meet the capitalist's expectations.

297:4/o Our capitalist stares in astonishment. The value of the product is exactly equal to the value of the capital advanced. The value so advanced has not expanded, no surplus-value has been created, and consequently money has not been converted into capital. The price of the yarn is fifteen shillings, and fifteen shillings were spent in the open market upon the constituent elements of the product, or, what amounts to the same thing, upon the factors of the labor-process; ten shillings were paid for the cotton, two shillings for the substance of the spindle worn away, and three shillings for the labor-power. The swollen value of the yarn is of no avail, for it is merely the sum of the values formerly existing in the cot-

der täglichen Lebensmittel des Arbeiters zu produzieren. Verwandelt unser Spinner nun während einer Arbeitsstunde 1 2/3 Pfund Baumwolle im 1 2/3 Pfund Garn,¹² so in 6 Stunden 10 Pfund Baumwolle in 10 Pfund Garn. Während der Dauer des Spinnprozesses saugt die Baumwolle also 6 Arbeitsstunden ein. Dieselbe Arbeitszeit stellt sich in einem Goldquantum von 3 sh. dar. Der Baumwolle wird also durch das Spinnen selbst ein Wert von 3 sh. zugesetzt.

¹² Die Zahlen hier sind ganz willkürlich.

205:2 Sehn wir uns nun den Gesamtwert des Produkts, der 10 Pfund Garn, an. In ihnen sind 2 1/2 Arbeitstage vergebenständlicht, 2 Tage enthalten in Baumwolle und Spindelmasse, 1/2 Tag Arbeit eingesaugt während des Spinnprozesses. Dieselbe Arbeitszeit stellt sich in einer Goldmasse von 15 sh. dar. Der dem Wert der 10 Pfund Garn adäquate Preis beträgt also 15 sh., der Preis eines Pfundes Garn 1 sh. 6 d.

205:3 Unser Kapitalist stutzt. Der Wert des Produkts ist gleich dem Wert des vorgeschoßenen Kapitals. Der vorgeschoßene Wert hat sich nicht verwertet, keinen Mehrwert erzeugt, Geld sich also nicht in Kapital verwandelt. Der Preis der 10 Pfund Garn ist 15 sh., und 15 sh. wurden verausgabt auf dem Warenmarkt für die Bildungselemente des Produkts oder, was dasselbe, die Faktoren des Arbeitsprozesses: 10 sh. für Baumwolle, 2 sh. für die verzehrte Spindelmasse und 3 sh. für Arbeitskraft. Der aufgeschwollne Wert des Garns hilft nichts, denn sein Wert ist nur die Summe der früher auf Baumwolle, Spindel und Arbeitskraft verteilten Werte, und aus einer solchen bloßen Addition vorhandner Werte kann nie und

7.2. Valorization Process

ton, the spindle, and the labor-power: out of such a simple addition of existing values, no surplus-value can possibly arise.¹³ These separate values are now all concentrated in one thing; but so they were also in the sum of fifteen shillings, before it was split up into three parts, by the purchase of the commodities.

↓ The capitalist's business is just as sterile as the physiocrats had argued manufacturing to be:

¹³ This is the fundamental proposition on which is based the doctrine of the Physiocrats as to the unproductiveness of all labor that is not agriculture: it is irrefutable for the orthodox economist. “Cette façon d'imputer à une seule chose la valeur de plusieurs autres” (par exemple au lin la consommation du tisserand), “d'appliquer, pour ainsi dire, couche sur couche, plusieurs valeurs sur une seule, fait que celle-ci grossit d'autant … Le terme d'addition peint très-bien la manière dont se forme le prix des ouvrages de main-d'œuvre; ce prix n'est qu'un total de plusieurs valeurs consommées et additionnées ensemble; or, additionner n'est pas multiplier.” (“Mercier de la Rivière,” l.c., p. 599.)

↓ Why is the capitalist surprised at what seems to be a perfectly logical result?

298:1 There is nothing strange in this result taken by itself. The value of one pound of yarn being 36 cents, if our capitalist buys 10 lbs. of yarn in the market, he must pay \$3.60 for them. It is clear that, whether a man buys his house ready built, or gets it built for him, in neither case will the mode of acquisition increase the amount of money laid out on the house.

↓ The capitalist, who knows from experience that he makes profits, gropes for arguments that would explain why he should be making these profits:

298:2/oo Our capitalist, who is at home in his vulgar economy, exclaims: “Oh! but I advanced my money for the express purpose of making more money.”

↑ If the capitalist says that it was his intention to make surplus-value, ↓ he will get a double answer: first of all, intent alone does not make things happen, and secondly, many capitalists also have the intention of making money *without* producing (two examples are given in footnote 14).

The way to Hell is paved with good intentions, and he might just as easily have intended to make money, without producing

nimmermehr ein Mehrwert entspringen.¹³ Diese Werte sind jetzt alle auf ein Ding konzentriert, aber so waren sie in der Geldsumme von 15 sh., bevor diese sich durch drei Warenkäufe zersplitterte.

¹³ Dies ist der Fundamentalsatz, worauf die Lehre der Physiokraten von der Unproduktivität aller nicht agrikolen Arbeit beruht, und er ist umstößlich für den Ökonomen—von Fach. „Diese Art, einem einzigen Gegenstand den Wert mehrerer anderer zuzurechnen“ (z.B. dem Flachs den Lebensunterhalt des Leinewebers), „also sozusagen verschiedene Werte schichtweise auf einen einzigen aufzuhäufen, bewirkt, daß dieser in gleichem Umfang anwächst … Der Ausdruck Addition bezeichnet sehr gut die Art, wie der Preis der handwerklichen Erzeugnisse gebildet wird; dieser Preis ist nur die Gesamtsumme mehrerer verbrauchter und zusammengezählter Werte; addieren jedoch bedeutet nicht multiplizieren.“ (Mercier de la Rivière, l.c. p. 599.)

205:4/o An und für sich ist dies Resultat nicht befremdlich. Der Wert eines Pfund Garn ist 1 sh. 6 d., und für 10 Pfund Garn müßte unser Kapitalist daher auf dem Warenmarkt 15 sh. zahlen. Ob er sein Privathaus fertig auf dem Markt kauft oder es selbst bauen läßt, keine dieser Operationen wird das im Erwerb des Hauses ausgelegte Geld vermehren.

206:1/o Der Kapitalist, der in der Vulgarökonomie Bescheid weiß, sagt vielleicht, er haben sein Geld mit der Absicht vorgeschossen, mehr Geld daraus zu machen.

Der Weg zur Hölle ist jedoch mit guten Absichten gepflastert, und er konnte ebensogut der Absicht sein, Geld zu machen, ohne zu

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at all.¹⁴

¹⁴ Thus from 1844–47 he withdrew part of his capital from productive employment, in order to throw it away in railway speculations; and so also, during the American Civil War, he closed his factory, and turned his work-people into the streets, in order to gamble on the Liverpool cotton exchange.

He threatens all sorts of things. He won't be caught napping again. In future he will buy the commodities in the market, instead of manufacturing them himself.

↑ His threat that he will quit producing and buy the finished product ↓ cannot be generalized:

But if all his brother capitalists were to do the same, where would he find his commodities in the market? And his money he cannot eat.

He advertises his virtue. “*Consider my abstinence; I might have played ducks and drakes with the \$3.60; but instead of that I consumed it productively, and made yarn with it.*”

↑ If he claims reward for his abstinence, since he used his capital outlays not for his own consumption, ↓ the answer is fourfold: (1) he does have the yarn now as reward for his capital outlays, (2) we have seen earlier the problems with miserly behavior, (3) where should the reward come from? There is not enough value in the end product to pay him such a reward. (4) He should therefore consider virtue its own reward.

Very well, and by way of reward he is now in possession of good yarn instead of a bad conscience; and as for playing the part of a miser, it would never do for him to relapse into such bad ways as that; we have seen before to what results such asceticism leads. Besides, where nothing is, the king has lost his rights; whatever may be the merit of his abstinence, there is nothing wherewith specially to remunerate it, because the value of the product is merely the sum of the values of the commodities that were thrown into the process of production. Let him therefore console himself with the reflection that virtue is its own reward.

But no, he becomes importunate. He says: “*The yarn is of no use to me: I produced it for sale.*”

↑ If he points to his altruism, having produced the yarn for others, ↓ the answer is that he therefore should sell it to those others, or maybe in the future only produce for himself (with

produzieren.¹⁴

¹⁴ So z.B. entzog er 1844–1847 [einen] Teil seines Kapitals dem produktiven Geschäft, um es in Eisenbahnaktien zu verspekulieren. So, zur Zeit des amerikanischen Bürgerkriegs, schloß er die Fabrik und warf den Fabrikarbeiter aufs Pflaster, um auf der Liverpooller Baumwollbörse zu spielen.

Er droht. Man werde ihn nicht wieder ertappen. Künftig werde er die Ware fertig auf dem Markt kaufen, statt sie selbst zu fabrizieren.

Wenn aber alle seine Brüder Kapitalisten desgleichen tun, wo soll er Ware auf dem Markt finden? Und Geld kann er nicht essen.

Er katechisiert. Man soll seine Abstinenz bedenken. Er konnte seine 15 sh. verpassen. Statt dessen hat er sie produktiv konsumiert und Garn daraus gemacht.

Aber dafür ist er ja im Besitz von Garn statt von Gewissensbissen. Er muß beileibe nicht in die Rolle des Schatzbildners zurückfallen, der uns zeigte, was bei der Asketik herauskommt. Außerdem, wo nichts ist, hat der Kaiser sein Recht verloren. Welches immer das Verdienst seiner Entzagung, es ist nichts da, um sie extra zu zahlen, da der Wert des Produkts, der aus dem Prozeß herauskommt, nur gleich der Summe der hineingeworfenen Warenwerte. Er beruhige sich also dabei, daß Tugend Lohn.

Statt dessen wird er zudringlich. Das Garn ist ihm unnütz. Er hat es für den Verkauf produziert.

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a hint that his mode of production suffers from overproduction anyway).

In that case let him sell it, or, still better, let him for the future produce only things for satisfying his personal wants, a remedy that his physician MacCulloch has already prescribed as infallible against an epidemic of over-production.

He now gets obstinate. “*Can the laborer,*” he asks, “*merely with his arms and legs, produce commodities out of nothing? Did I not supply him with the materials, by means of which, and in which alone, his labor could be embodied? And as the greater part of society consists of such ne'er-do-wells, have I not rendered society incalculable service by my instruments of production, my cotton and my spindle, and not only society, but the laborer also, whom in addition I have provided with the necessities of life? And am I to be allowed nothing in return for all this service??*”

↑ If he enumerates how much he benefited the laborer, ↓ the answer is that the laborer benefited him just as much.

Well, but has not the laborer rendered him the equivalent service of changing his cotton and spindle into yarn? Moreover, there is here no question of service.¹⁵ A service is nothing more than the useful effect of a use-value, be it of a commodity, or be it of labor.¹⁶ But here we are dealing with exchange-value. The capitalist paid to the laborer a value of 72 cents, and the laborer gave him back an exact equivalent in the value of 72 cents, added by him to the cotton: he gave him value for value.

¹⁵ “Extol thyself, put on finery and adorn thyself . . . but whoever takes more or better than he gives, that is usury, and is not service, but wrong done to his neighbour, as when one steals and robs. All is not service and benefit to a neighbour that is called service and benefit. For an adulteress and adulterer do one another great service and pleasure. A horseman does an incendiary a great service, by helping him to rob on the highway, and pillage land and houses. The papists do ours a great service, in that they don't drown, burn, murder all of them, or let them all rot in prison; but let some live, and only drive

So verkaufe er es, oder, noch einfacher, produziere in Zukunft nur Dinge für seinen eignen Bedarf, ein Rezept, das ihm bereits sein Hausarzt MacCulloch als probates Mittel gegen die Epidemie der Überproduktion verschrieben hat.

Er stellt sich trutzig auf die Hinterbeine. Sollte der Arbeiter mit seinen eignen Gliedmaßen in der blauen Luft Arbeitsgebilde schaffen, Waren produzieren? Gab er ihm nicht den Stoff, womit und worin er allein seine Arbeit verleiblichen kann? Da nun der größte Teil der Gesellschaft aus solchen Habenichtsen besteht, hat er nicht der Gesellschaft durch seine Produktionsmittel, seine Baumwolle und seine Spindel, einen unermesslichen Dienst erwiesen, nicht dem Arbeiter selbst, den er obendrein noch mit Lebensmitteln versah? Und soll er den Dienst nicht berechnen?

the laborer, ↓ the answer is that the laborer

Hat der Arbeiter ihm aber nicht den Gegendienst erwiesen, Baumwolle und Spindel in Garn zu verwandeln? Außerdem handelt es sich hier nicht um Dienste.¹⁵ Ein Dienst ist nichts als die nützliche Wirkung eines Gebrauchswerts, sei es der Ware, sei es der Arbeit.¹⁶ Hier aber gilt's den Tauschwert. Er zahlte dem Arbeiter den Wert von 3 sh. Der Arbeiter gab ihm ein exaktes Äquivalent zurück in dem der Baumwolle zugesetzten Wert von 3 sh. Wert für Wert.

¹⁵ „Las du rhümen, schmücken und putzen . . . Wer aber mehr oder besseres nimpt“ (als er gibt), „das ist Wucher, und heisst, nicht Dienst, sondern Schaden gethan seinem Nehesten, als mit stelen und rauben geschieht. Es ist nicht alles Dienst und wolgethan dem Nehesten, was man heisst, Dienst und wolgethan. Denn eine Ehebrecherin und Ehebrecher thun einander grossen Dienst und wolgefalen. Ein Reuter thut einem Mordbrenner grossen reuterdienst, das er im hilfft auff der strassen rauben, Land und Leute bevehdien. Die Papisten thun den unsern grossen Dienst, das sie nicht alle ertrenken, verbrennen, ermorden,

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them out, or take from them what they have. The devil himself does his servants inestimable service ... To sum up, the world is full of great, excellent, and daily service and benefit." (Martin Luther: "An die Pfarrherrn wider den Wucher zu predigen," Wittenberg, 1540.)

¹⁶ In "Zur Kritik der Pol. Oek.", p. 14, I make the following remark on this point—"It is not difficult to understand what 'service' the category 'service' must render to a class of economists like J. B. Say and F. Bastiat."

Our friend, up to this time so purse-proud, suddenly assumes the modest demeanour of his own workman, and exclaims: "*Have I myself not worked? Have I not performed the labor of superintendence and of overlooking the spinner? And does not this labor; too, create value?*"

↑ If he says that he is a laborer himself, ↓ Marx subtly hints at it that he has hired managers and overlookers to do this work for him.

His overlooker and his manager try to hide their smiles.

↓ Suddenly the capitalist changes his script: Meanwhile, after a hearty laugh, he reassumes his usual mien. Though he chanted to us the whole creed of the economists, in reality, he says, he would not give a brass farthing for it. He leaves this and all such like subterfuges and juggling tricks to the professors of Political Economy, who are paid for it. He himself is a practical man; and though he does not always consider what he says outside his business, yet in his business he knows what he is about.

↑ This is Marx's colorful way of saying that one should not listen to the excuses of the capitalists or their apologists, but one should examine more closely what the capitalists *do*.

300:1/o Let us examine the matter more closely.

↓ Since the value of the daily labor-power can be produced in six hours, we assumed that the workers work only six hours long. This assumption was not justified. The capitalist does not have to send the workers home after six hours. If he pays their means of subsistence for the day he has the right to make them work a normal working-day.

The value of a day's labor-power amounts to 72 cents, because on our assumption half a day's labor is embodied in that quantity of labor-power, *i.e.*, because the means of sub-

im Gefengnis verfaulen lassen, sondern lassen doch etliche leben, und verjagen sie, oder nemen jnen was sie haben. Der Teuffel thut selber seinen Dienern grossen, unermesslichen Dienst ... Summa, die Welt ist vol grosser, trefflicher teglicher Dienst und wohlthaten." (Martin Luther, „An die Pfarrherrn, wider den Wucher zu predigen etc.“, Wittenberg 1540.)

¹⁶ Ich bemerke darüber in „Zur Kritik der Pol. Oek.“, p. 14 u.a.: „Man begreift, welchen „Dienst“ die Kategorie „Dienst“ (service) einer Sorte Ökonomen wie J. B. Say und F. Bastiat leisten muß.“

Unser Freund, eben noch so kapitalübermütig, nimmt plötzlich die anspruchslose Haltung seines eignen Arbeiters an. Hat er nicht selbst gearbeitet? nicht die Arbeit der Überwachung, der Oberaufsicht über den Spinner verrichtet? Bildet diese seine Arbeit nicht auch Wert?

Sein eigner overlooker und sein Manager zucken die Achseln.

Unterdeß hat er aber bereits mit heitrem Lächeln seine alte Physiognomie wieder angenommen. Er foppte uns mit der ganzen Litanei. Er gibt keinen Deut darum. Er überläßt diese und ähnliche faule Ausflüchte und hohle Flausen den dafür eigens bezahlten Professoren der politischen Ökonomie. Er selbst ist ein praktischer Mann, der zwar nicht immer bedenkt, was er außerhalb des Geschäfts sagt, aber stets weiß, was er im Geschäft tut.

207:1/o Sehn wir näher zu.

Der Tageswert der Arbeitskraft betrug 3 sh., weil in ihr selbst ein halber Arbeitstag ver gegenständlicht ist, d.h. weil die täglich zur Produktion der Arbeitskraft nötigen Lebens-

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sistence that are daily required for the production of labor-power, cost half a day's labor. But the past labor that is embodied in the labor-power, and the living labor that it can call into action; the daily cost of maintaining it, and its daily expenditure in work, are two totally different things. The former determines the exchange-value of the labor-power, the latter is its use-value. The fact that half a day's labor is necessary to keep the laborer alive during 24 hours, does not in any way prevent him from working a whole day. Therefore, the value of labor-power, and the value which that labor-power creates in the labor-process, are two entirely different magnitudes.

Not only is the value produced by labor-power during a normal working-day different from labor-power's own value, but the capitalist purchased labor-power exactly because of this difference.

This difference of the two values was what the capitalist had in view, when he was purchasing the labor-power. The useful qualities that labor-power possesses, and by virtue of which it makes yarn or boots, were to him nothing more than a *conditio sine qua non*; for in order to create value, labor must be expended in a useful manner. What really influenced him was the specific use-value which this commodity possesses of being *a source not only of value, but of more value than it has itself*. This is the special service that the capitalist expects from labor-power.

↓ Although the capitalist gets something for nothing, he is not violating the laws of commodity exchange.

In this transaction he acts in accordance with the "eternal laws" of the exchange of commodities. The seller of labor-power, like the seller of any other commodity, realises its exchange-value, and parts with its use-value. He cannot take the one without giving the other. The use-value of labor-power, or in other words, labor, belongs just as little to its seller, as the use-value of oil after it has been sold belongs to the dealer who has sold it. The owner of the money has paid the value of a day's labor-power; his, there-

mittel einen halben Arbeitstag kosten. Aber die vergangne Arbeit, die in der Arbeitskraft steckt, und die lebendige Arbeit, die sie leisten kann, ihre täglichen Erhaltungskosten und ihre tägliche Verausgabung, sind zwei ganz verschiedene Größen. Die erstere bestimmt ihren Tauschwert, die andre bildet ihren Gebrauchswert. Daß ein halber Arbeitstag nötig, um ihn während 24 Stunden am Leben zu erhalten, hindert den Arbeiter keineswegs, einen ganzen Tag zu arbeiten. Der Wert der Arbeitskraft und ihre Verwertung im Arbeitsprozeß sind also zwei verschiedene Größen.

Diese Wertdifferenz hatte der Kapitalist im Auge, als er die Arbeitskraft kaufte. Ihre nützliche Eigenschaft, Garn oder Stiefel zu machen, war nur eine *conditio sine qua non*, weil Arbeit in nützlicher Form verausgabt werden muß, um Wert zu bilden. Was aber entschied, war der spezifische Gebrauchswert dieser Ware, Quelle von Wert zu sein und von mehr Wert, als sie selbst hat. Dies ist der spezifische Dienst, den der Kapitalist von ihr erwartet.

Und er verfährt dabei den ewigen Gesetzen des Warenaustausches gemäß. In der Tat, der Verkäufer der Arbeitskraft, wie der Verkäufer jeder andren Ware, realisiert ihren Tauschwert und veräußert ihren Gebrauchswert. Er kann den einen nicht erhalten, ohne den andren wegzugeben. Der Gebrauchswert der Arbeitskraft, die Arbeit selbst, gehört ebensowenig ihrem Verkäufer, wie der Gebrauchswert des verkauften Öls dem Ölhändler. Der Geldbesitzer hat den Tageswert der Arbeitskraft gezahlt; ihm

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fore, is the use of it for a day; a day's labor belongs to him. The circumstance, that on the one hand the daily sustenance of labor-power costs only half a day's labor, while on the other hand the very same labor-power can work during a whole day, that consequently the value which its use during one day creates, is double what he pays for that use, this circumstance is, without doubt, a piece of good luck for the buyer, but by no means an injustice to the seller.

gehört daher ihr Gebrauch während des Tages, die tagelange Arbeit. Der Umstand, daß die tägliche Erhaltung der Arbeitskraft nur einen halben Arbeitstag kostet, obgleich die Arbeitskraft einen ganzen Tag wirken, arbeiten kann, daß daher der Wert, den ihr Gebrauch während eines Tags schafft, doppelt so groß ist als ihr eigner Tageswert, ist ein besondres Glück für den Käufer, aber durchaus kein Unrecht gegen den Verkäufer.

Question 619 (*Fri Oct 29–Mon Nov 1*) *Does it violate the laws of commodity exchange that the capitalist makes the laborer work longer than would be necessary for producing an equivalent of the wage?*

Question 620 (*Fri Oct 29–Mon Nov 1*) *Why does Marx put quotation marks around “eternal laws” when he says: the capitalist acts in accordance with the “eternal laws” of the exchange of commodities?*

Question 621 (*Fri Oct 29–Mon Nov 1*) *What is the difference between the purchase of a service and the purchase of labor-power?*

↓ One of the conditions for valorization is that enough constant capital must be present.

301:1 Our capitalist foresaw this state of things, and that was the cause of his laughter.

208:1/o Unser Kapitalist hat den Kasus, der ihn lachen macht, vorgesehn.

The capitalist never thought that he can only employ the laborer for 6 hours because the price of labor-power corresponds to 6 hours of labor. If the normal working-day is 12 hours, the laborer will have to work for 12 hours, since he was paid the means of subsistence for one day.

The laborer therefore finds, in the workshop, the means of production necessary for working, not only during six, but during twelve hours.

Der Arbeiter findet daher in der Werkstätte die nötigen Produktionsmittel nicht nur für einen sechsständigen, sondern für einen zwölfständigen Arbeitsprozeß.

↓ If we do the math in this situation, it turns out that surplus-value has been created:

Just as during the six hours' process our 10 lbs. of cotton absorbed six hours' labor, and became 10 lbs. of yarn, so now, 20 lbs. of cotton will absorb 12 hours' labor and be changed into 20 lbs. of yarn. Let us now examine the product of this prolonged process. There is now materialised in this 20 lbs. of yarn the labor of five days, of which four days are due to the cotton and the lost steel of the spindle, the remaining day having been absorbed by the cotton during the spinning process. Expressed in gold, the labor of five days is \$7.20. This is therefore

Saugten 10 Pfund Baumwolle 6 Arbeitsstunden ein und verwandelten sich in 10 Pfund Garn, so werden 20 Pfund Baumwolle 12 Arbeitsstunden einsaugen und in 20 Pfund Garn verwandelt. Betrachten wir das Produkt des verlängerten Arbeitsprozesses. In den 20 Pfund Garn sind jetzt 5 Arbeitstage vergegenständlicht, 4 in der verzehrten Baumwoll- und Spindelmasse, 1 von der Baumwolle eingesaugt während des Spinnprozesses. Der Goldausdruck von 5 Arbeitstagen ist aber 30 sh. oder 1 Pfd.St. 10 sh. Dies also der Preis der 20 Pfund Garn. Das

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the price of the 20 lbs. of yarn, giving, as before, 36 cents as the price of each pound. But the sum of the values of the commodities that entered into the process amounts to \$6.48. The value of the yarn is \$7.20. Therefore the value of the product is 1/9 greater than the value advanced for its production; \$6.48 have been transformed into \$7.20; a surplus-value of 72 cents has been created. The trick has at last succeeded; money has been converted into capital.

↓ In the next summary paragrpah, Marx looks at the process of valorization in production together with the purchase of labor-power and means of production. He shows that this is the resolution of the task set in 268:4/o. Surplus-value has been created without violating the laws of commodity exchange.

301:2/o Every condition of the problem is satisfied, while the laws that regulate the exchange of commodities, have been in no way violated. Equivalent has been exchanged for equivalent. For the capitalist as buyer paid for each commodity, for the cotton, the spindle and the labor-power, its full value. He then did what is done by every purchaser of commodities; he consumed their use-value. The consumption of the labor-power, which was also the process of producing commodities, resulted in 20 lbs. of yarn, having a value of \$7.20. The capitalist, formerly a buyer, now returns to market as a seller, of commodities. He sells his yarn at 36 cents a pound, which is its exact value. Yet for all that he withdraws 72 cents more from circulation than he originally threw into it.

The whole process takes place in circulation and not in circulation (the first act in circulation and the second act not in circulation).

This metamorphosis, this conversion of money into capital, takes place both within the sphere of circulation and also outside it; within the circulation, because conditioned by the purchase of the labor-power in the market; outside the circulation, because what is done within it is only a stepping-stone to the production of surplus-value, a process which is entirely confined to the sphere of production. Thus “tout est pour le mieux dans le meilleur des mondes possibles”

Pfund Garn kostet nach wie vor 1 sh. 6 d. Aber die Wertsumme der in den Prozeß geworfenen Waren betrug 27 sh. Der Wert des Garns beträgt 30 sh. Der Wert des Produkts ist um 1/9 gewachsen über den zu seiner Produktion vorgeschoßnen Wert. So haben sich 27 sh. in 30 sh. verwandelt. Sie haben einen Mehrwert von 3 sh. gesetzt. Das Kunststück ist endlich gelungen. Geld ist in Kapital verwandelt.

209:1 Alle Bedingungen des Problems sind gelöst und die Gesetze des Warenaustausches in keiner Weise verletzt. Äquivalent wurde gegen Äquivalent ausgetauscht. Der Kapitalist zahlte als Käufer jede Ware zu ihrem Wert, Baumwolle, Spindelmasse, Arbeitskraft. Er tat dann, was jeder andre Käufer von Waren tut. Er konsumierte ihren Gebrauchswert. Der Konsumtionsprozeß der Arbeitskraft, der zugleich Produktionsprozeß der Ware, ergab ein Produkt von 20 Pfund Garn mit einem Wert von 30 sh. Der Kapitalist kehrt nun zum Markt zurück und verkauft Ware, nachdem er Ware gekauft hat. Er verkauft das Pfund Garn zu 1 sh. 6 d., keinen Deut über oder unter seinem Wert. Und doch zieht er 3 sh. mehr aus der Zirkulation heraus, als er ursprünglich in sie hineinwarf.

Dieser ganze Verlauf, die Verwandlung seines Geldes in Kapital, geht in der Zirkulationssphäre vor und geht nicht in ihr vor. Durch die Vermittlung der Zirkulation, weil bedingt durch den Kauf der Arbeitskraft auf dem Warenmarkt. Nicht in der Zirkulation, denn sie leitet nur den Verwertungsprozeß ein, der sich in der Produktionssphäre zuträgt. Und so ist „tout pour le mieux dans le meilleur des mondes possibles“

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bles.”

Question 622 (*Fri Oct 29–Mon Nov 1*) Explain how the transformation of money into capital at the same time does and does not take place in circulation.

↑ This not only solves the contradictory conditions of 268:4/o, ↓ but this combination of production and circulation at the same time generates a new powerful causal agent.

302:1 By turning his money into commodities that serve as the material elements of a new product, and as factors in the labor-process, by incorporating living labor with their dead substance, the capitalist at the same time converts value, *i.e.*, past, materialised, and dead labor into capital, into value big with value, a live monster that is fruitful and multiplies.

209:2 Indem der Kapitalist Geld in Waren verwandelt, die als Stoffbildner eines neuen Produkts oder als Faktoren des Arbeitsprozesses dienen, indem er ihrer toten Gegenständlichkeit lebendige Arbeitskraft einverleibt, verwandelt er Wert, vergangne, vergegenständlichte, tote Arbeit in Kapital, sich selbst verwertenden Wert, ein beseeltes Ungeheuer, das zu „arbeiten“ beginnt, als hätt’ es Lieb’ im Leibe.

7.2.c. [Differences Between Production of Value, Production of Surplus-Value, and the Labor Process]

↓ The difference between the production of value and the production of surplus-value is only quantitative.

302:2 If we now compare the process of producing value with that of producing surplus-value, we see that the latter is nothing but the continuation of the former beyond a definite point. If on the one hand the process be not carried beyond the point, where the value paid by the capitalist for the labor-power is replaced by an exact equivalent, it is simply a process of producing value; if, on the other hand, it be continued beyond that point, it becomes a process of producing surplus-value.

209:3 Vergleichen wir nun Wertbildungsprozeß und Verwertungsprozeß, so ist der Verwertungsprozeß nichts als ein über einen gewissen Punkt hinaus verlängerter Wertbildungsprozeß. Dauert der letzte nur bis zu dem Punkt, wo der vom Kapital gezahlte Wert der Arbeitskraft durch ein neues Äquivalent ersetzt ist, so ist er einfacher Wertbildungsprozeß. Dauert der Wertbildungsprozeß über diesen Punkt hinaus, so wird er Verwertungsprozeß.

↑ In other words, the production of surplus-value is not an integral part of the production of value itself (surplus-value is not produced by machinery or growing out of the ground). Instead, surplus-value arises from the prolongation of the production of value beyond a point which is not discernible in the production of value itself, but which is determined from the outside.

Question 623 (*Fri Oct 29–Mon Nov 1*) Marx writes in 302:2: “The process of producing surplus-value is nothing but the continuation of the process of producing value beyond a definite point.” (This is not a literal quote, the sentence is rearranged for simplicity.) Does this mean that profits come from the capitalist producing beyond his break-even point?

Question 624 (*Fri Oct 29–Mon Nov 1*) How do vulgar economists “explain” that surplus-value comes out of the process of producing value? Which difference between the process of producing value and the process of producing surplus-value are they trying to explain away?

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↓ Next, Marx gives an explicit rundown of the differences between the process of producing value and the labor process, which were implicitly already contained in his presentation of the process of producing value. Marx shows here that the production of value is the same process as the labor process, but considered under a different point of view.

302:3/o If we proceed further, and compare the process of producing value with the labor-process, pure and simple, we find that the latter consists of the useful labor, the work, that produces use-values. Here we contemplate the labor as producing a particular article; we view it under its qualitative aspect alone, with regard to its end and aim. But viewed as a value-creating process, the same labor-process represents itself under its quantitative aspect alone. The only thing that still matters here is the time occupied by the laborer in doing the work; the period during which the labor-power is usefully expended.

↑ The overall process of producing values is no longer considered qualitatively but only quantitatively. ↓ The means of production are no longer factors involved in the production process but merely additional values.

Here, the commodities that take part in the process, do not count any longer as necessary adjuncts of labor-power in the production of a definite, useful object. They count merely as depositaries of so much absorbed or materialised labor.

↓ Labor itself, whether living or materialized. That labor, whether previously embodied in the means of production, or incorporated in them for the first time during the process by the action of labor-power, counts in either case only according to its duration; it amounts to so many hours or days as the case may be.

↓ An important caveat is that the quantity counts only to the extent that the labor is socially necessary labor.

303:1 However, only so much of the time spent in the production of any article is counted, as, under the given social conditions, is necessary. This implies various things.

↓ Conditions of labor must be normal: In the first place, it becomes necessary that the labor should be carried on under normal conditions. If a self-acting mule is the im-

209:4/o Vergleichen wir ferner den Wertbildungsprozeß mit dem Arbeitsprozeß, so besteht der letztere in der nützlichen Arbeit, die Gebrauchswerte produziert. Die Bewegung wird hier qualitativ betrachtet, in ihrer besondren Art und Weise, nach Zweck und Inhalt. Derselbe Arbeitsprozeß stellt sich im Wertbildungsprozeß nur von seiner quantitativen Seite dar. Es handelt sich nur noch um die Zeit, welche die Arbeit zu ihrer Operation braucht, oder um die Dauer, während deren die Arbeitskraft nützlich verausgabt wird.

Hier gelten auch die Waren, die in den Arbeitsprozeß eingehen, nicht mehr als funktionell bestimmte, stoffliche Faktoren der zweckmäßig wirkenden Arbeitskraft. Sie zählen nur noch als bestimmte Quanta ver gegenständlichter Arbeit.

Hier gelten auch die Waren, die in den Arbeitsprozeß eingehen, nicht mehr als funktionell bestimmte, stoffliche Faktoren der zweckmäßig wirkenden Arbeitskraft. Sie zählen nur noch als bestimmte Quanta ver gegenständlichter Arbeit.

Ob in den Produktionsmittel enthalten oder durch die Arbeitskraft zugesetzt, die Arbeit zählt nur noch nach ihrem Zeitmaß. Sie beträgt so viel Stunden, Tage usw.

210:1 Sie zählt jedoch nur, soweit die zur Produktion des Gebrauchswerts verbrauchte Zeit gesellschaftlich notwendig ist. Es umfaßt dies Verschiednes.

Die Arbeitskraft muß unter normalen Bedingungen funktionieren. Ist die Spinnmaschine das gesellschaftlich herrschende Ar-

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plement in general use for spinning, it would be absurd to supply the spinner with a distaff and spinning wheel. The cotton too must not be such rubbish as to cause extra waste in being worked, but must be of suitable quality. Otherwise the spinner would be found to spend more time in producing a pound of yarn than is socially necessary, in which case the excess of time would create neither value nor money. But whether the material factors of the process are of normal quality or not, depends not upon the laborer, but entirely upon the capitalist.

↓ Labor-power itself must be normal too:

Then again, the labor-power itself must be of average efficacy. In the trade in which it is being employed, it must possess the average skill, handiness and quickness prevalent in that trade, and our capitalist took good care to buy labor-power of such normal goodness.

↓ Labor-power must be applied continuously

This power must be applied with the common measure of exertion, with the usual degree of intensity; and the capitalist is as careful to see that this is done, as that his workmen are not idle for a single moment. He has bought the use of the labor-power for a definite period, and he insists upon his rights. He has no intention of being robbed.

↓ Means of labor must be used in a normal

Lastly, and for this purpose our friend has a penal code of his own, all wasteful consumption of raw material or instruments of labor is strictly forbidden, because what is so wasted, represents labor superfluously expended, labor that does not count in the product or enter into its value.¹⁷

↓ Interesting and detailed footnote about slavery:

¹⁷ This is one of the circumstances that makes production by slave labor such a costly process. The laborer here is, to use a striking expression of the ancients, distinguishable only as instrumentum vocale, from an animal as instrumentum semi-vocale, and from an implement as instrumentum mutum. But he himself takes care to let

beitsmittel für die Spinnerei, so darf dem Arbeiter nicht ein Spinnrad in die Hand gegeben werden. Statt Baumwolle von normaler Güte muß er nicht Schund erhalten, der jeden Augenblick reißt. In beiden Fällen würde er mehr als die gesellschaftlich notwendige Arbeitszeit zur Produktion eines Pfundes Garn verbrauchen, diese überschüssige Zeit aber nicht Wert oder Geld bilden. Der normale Charakter der gegenständlichen Arbeitsfaktoren hängt jedoch nicht vom Arbeiter, sondern vom Kapitalisten ab.

Fernere Bedingung ist der normale Charakter der Arbeitskraft selbst. In dem Fach, worin sie verwandt wird, muß sie das herrschende Durchschnittsmaß von Geschick, Fertigkeit und Raschheit besitzen. Aber unser Kapitalist kaufte auf dem Arbeitsmarkt Arbeitskraft von normaler Güte.

and with normal intensity:

Diese Kraft muß in dem gewöhnlichen Durchschnittsmaß der Anstrengung, mit dem gesellschaftlich üblichen Grad von Intensität verausgabt werden. Darüber wacht der Kapitalist ebenso ängstlich, als daß keine Zeit ohne Arbeit vergeudet wird. Er hat die Arbeitskraft für bestimmte Zeitfrist gekauft. Er hält darauf, das Seine zu haben. Er will nicht bestohlen sein.

and purposeful way:

Endlich—and hierfür hat derselbe Herr einen eignen code pénal—darf kein zweckwidriger Konsum von Rohmaterial und Arbeitsmitteln stattfinden, weil vergeudetes Material oder Arbeitsmittel überflüssig verausgabte Quanta vergegenständlichter Arbeit darstellen, also nicht zählen und nicht in das Produkt der Wertbildung eingehen.¹⁷

¹⁷ Dies ist einer der Umstände, die auf Sklaverei gegründete Produktion verteuern. Der Arbeiter soll sich hier, nach dem treffenden Ausdruck der Alten, nur als instrumentum vocale von dem Tier als instrumentum semivocale und dem toten Arbeitszeug als instrumentum mutum unterscheiden. Er selbst aber läßt Tier und Arbeits-

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both beast and implement feel that he is none of them, but is a man. He convinces himself with immense satisfaction, that he is a different being, by treating the one unmercifully and damaging the other con amore.

¶ This is an amazing foray into psychology!

^{17 ctd} Hence the principle, universally applied in this method of production, only to employ the rudest and heaviest implements and such as are difficult to damage owing to their sheer clumsiness. In the slave-states bordering on the Gulf of Mexico, down to the date of the civil war, ploughs constructed on old Chinese models, which turned up the soil like a hog or a mole, instead of making furrows, were alone to be found. Conf. J. E. Cairnes. "The Slave Power," London, 1862, p. 46 sqq. In his "Sea Board Slave States," Olmsted tells us: "I am here shown tools that no man in his senses, with us, would allow a laborer, for whom he was paying wages, to be encumbered with; and the excessive weight and clumsiness of which, I would judge, would make work at least ten per cent 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 laborers 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 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 ensure the immediate discharge of the driver by almost any farmer owning them in the North."

zeug fühlen, daß er nicht ihresgleichen, sondern ein Mensch ist. Er verschafft sich das Selbstgefühl seines Unterschieds von ihnen, indem er sie mißhandelt und con amore verwüstet.

^{17 ctd} Es gilt daher als ökonomisches Prinzip in dieser Produktionsweise, nur die rohesten, schwerfälligsten, aber grade wegen ihrer unbehilflichen Plumpheit schwer zu ruinierenden Arbeitsinstrumente anzuwenden. Bis zum Ausbruch des Bürgerkrieges fand man daher in den am Meerbusen von Mexiko liegenden Sklavenstaaten Pflüge altchinesischer Konstruktion, die den Boden aufwühlen wie ein Schwein oder Maulwurf, aber ihn nicht spalten und wenden. Vgl. J. E. Cairnes, „The Slave Power“, London 1862, p. 46 sqq. In seinem „Seaboard Slave States“ [p. 46, 47] erzählt Olmsted u.a.: „Man hat mir hier Werkzeuge gezeigt, mit denen bei uns kein vernünftiger Mensch seinen Arbeiter belasten würde, dem er Lohn zahlt. Ihr außerordentliches Gewicht und ihre Plumpheit müssen nach meiner Ansicht die Arbeit mit ihnen um mindestens 10 Prozent schwerer machen als mit den gewöhnlich bei uns verwendeten. Wie man mir jedoch versichert, ist es bei der fahrlässigen und klobigen Art, in der sie von den Sklaven anscheinend benutzt werden, nicht möglich, ihnen mit gutem Erfolg leichtere oder weniger derbe Werkzeuge anzuvertrauen; solche Werkzeuge, wie wir sie ständig, und zwar mit gutem Gewinn für uns, unseren Arbeitern anvertrauen, würden auf einem Kornfeld in Virginia nicht einen Tag überdauern—obwohl der Boden leichter und steinfreier ist als der unsere. Gleichfalls wurde mir auf meine Frage, warum auf den Farmen so allgemein Pferde durch Maultiere ersetzt werden, als erster und zugestandenermaßen ausschlaggebender Grund angegeben, daß Pferde die Behandlung nicht ertragen, die sie von den Negern ständig und zwangsläufig erfahren. Pferde werden von ihnen nach kurzer Zeit lahm gemacht und zu Krüppeln geschlagen, während Maultiere Prügel und hie und da den Ausfall von ein oder zwei Fütterungen aushalten, ohne körperlich geschädigt zu werden. Sie erkälten sich auch nicht und werden nicht krank, wenn sie vernachlässigt und überarbeitet werden. Doch ich brauche gar nicht weiter zu gehen als zum Fenster des Zimmers, in dem ich schreibe, um fast zu jeder Zeit eine Behandlung des Viehs zu

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sehen, die wohl bei jedem Farmer im Norden zur sofortigen Entlassung des Treibers führen würde.“

↓ The double character of labor, which was previously derived as a theoretical result, as something that must be the case for commodity production to be possible, is directly visible if one simply looks at the different sides of the production process itself:

304:1 One sees: the difference between labor, considered on the one hand as producing use-values, and on the other hand as producing value, a difference which we arrived at by our analysis of the commodity, represents itself now as a distinction between the different aspects of the process of production.

211:1 Man sieht: der früher aus der Analyse der Ware gewonnene Unterschied zwischen der Arbeit, soweit sie Gebrauchs-wert, und derselben Arbeit, soweit sie Wert schafft, hat sich jetzt als Unterscheidung der verschiedenen Seiten des Produktionsprozes-ses dargestellt.

Question 625 (*Fri Oct 29–Mon Nov 1*) *What is the relationship between the double character of labor and the double character of the capitalist production process?*

↓ All this applies both to simple commodity production and to capitalist production:

304:2 The process of production, consid-ered on the one hand as the unity of the labor-process and the process of producing value, is production of commodities; con-sidered on the other hand as the unity of the labor-process and the process of producing surplus-value, it is the capitalist process of production, or capitalist production of com-modities.

211:2 Als Einheit von Arbeitsprozeß und Wertbildungsprozeß ist der Produktionsprozeß Produktionsprozeß von Waren; als Einheit von Arbeitsprozeß und Verwertungsprozeß ist er kapitalistischer Produktionsprozeß, kapitalistische Form der Warenproduktion.

7.2.d. [Simple and Complicated Labor]

The chapter ends with a passage about the reduction of complicated to simple labor:

304:3/o We stated, on a previous page, that in the creation of surplus-value it does not in the least matter, whether the labor appropriated by the capitalist be simple un-skilled labor of average quality or more complicated skilled labor. All labor of a higher or more complicated character than average labor is expenditure of labor-power of a more costly kind, labor-power whose production has cost more time and labor, and which therefore has a higher value, than unskilled or simple labor-power.

211:3/o Es wurde früher bemerkt, daß es für den Verwertungsprozeß durchaus gleich-gültig, ob die vom Kapitalisten angeeigne-te Arbeit einfache, gesellschaftliche Durch-schnittsarbeit oder kompliziertere Arbeit, Arbeit von höherem spezifischen Gewicht ist. Die Arbeit, die als höhere, komplizier-tiere Arbeit gegenüber der gesellschaftlichen Durchschnittsarbeit gilt, ist die Äußerung einer Arbeitskraft, worin höhere Bildungs-kosten eingehn, deren Produktion mehr Ar-bbeitszeit kostet und die daher einen höheren Wert hat als die einfache Arbeitskraft.

↓ This labor-power not only *has* a higher value than simple labor-power, but it also *creates* more value per hour:

While the value of this power is higher, also its consumption is labor of a higher class,

Ist der Wert dieser Kraft höher, so äußert sie sich daher auch in höherer Arbeit und

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labor that creates in equal times proportionally higher values than unskilled labor does. Whatever difference in skill there may be between the labor of a spinner and that of a jeweller, the portion of his labor by which the jeweller merely replaces the value of his own labor-power, does not in any way differ in quality from the additional portion by which he creates surplus-value. In the making of jewellery, just as in spinning, the surplus-value results only from a quantitative excess of labor, from a lengthening-out of one and the same labor-process, in the one case, of the process of making jewels, in the other of the process of making yarn.¹⁸

vergegenständlicht sich daher, in denselben Zeiträumen, in verhältnismäßig höheren Werten. Welches jedoch immer der Gradunterschied zwischen Spinnarbeit und Juwelierarbeit, die Portion Arbeit, wodurch der Juwelenarbeiter nur den Wert seiner eigenen Arbeitskraft ersetzt, unterscheidet sich qualitativ in keiner Weise von der zusätzlichen Portion Arbeit, wodurch er Mehrwert schafft. Nach wie vor kommt der Mehrwert nur heraus durch einen quantitativen Überschuß von Arbeit, durch die verlängerte Dauer desselben Arbeitsprozesses, in dem einen Fall Prozeß der Garnproduktion, in dem andren Fall Prozeß der Juwelenproduktion.¹⁸

↑ On the one hand, the labor of the skilled worker has a higher reproduction cost than the labor of the unskilled worker. But on the other, skilled labor counts as “multiplied” simple labor, i.e., it creates more value per hour. Although Marx writes “therefore,” I do not think that it creates more value *because* it has higher reproduction cost. I think Marx had the following causality in mind: Skilled labor is labor of higher order. This has two implications: (1) it has a higher value because of its higher reproduction cost, and (2) it creates more value per hour because the labor-time required to gain these skills is pro-rated over the time when the skilled labor is performed. Since both cost and yield are higher, the mechanism by which surplus-value is created is the same for skilled and unskilled labor: in both cases, surplus-value arises from the extension of the length of the labor-process beyond the point where it reproduces its own value. ↓ Although the mechanism with the proration of the time required to acquire skills explains most of the qualitative differences in labor-powers, it does not explain all of them. Footnote 18 makes important remarks about skilled and unskilled labor:

¹⁸ The distinction between skilled and unskilled labor rests in part on pure illusion or, to say the least, on distinctions that have long since ceased to be real, and that survive only by virtue of a traditional convention; in part on the helpless condition of some groups of the working-class, a condition that prevents them from exacting equally with the rest the value of their labor-power. Accidental circumstances here play so great a part, that these two forms of labor sometimes change places. Where, for instance, the physique of the working-class has deteriorated, and is, relatively speaking, exhausted, which in the case in all countries with a well developed capitalist production, the lower forms of labor, which demand great expenditure of muscle, are in general considered as skilled, compared with much more delicate forms of labor; the latter sink down to the level of unskilled labor. Take as an

¹⁸ Der Unterschied zwischen höherer und einfacher Arbeit, „skilled“ und „unskilled labour“, beruht zum Teil auf bloßen Illusionen oder wenigstens Unterschieden, die längst aufgehört haben, reell zu sein, und nur noch in traditioneller Konvention fortleben; zum Teil auf der hilflosen Lage gewisser Schichten der Arbeiterklasse, die ihnen minder als andren erlaubt, den Wert ihrer Arbeitskraft zu ertrotzen. Zufällige Umstände spielen dabei so große Rolle, daß dieselben Arbeitsarten den Platz wechseln. Wo z.B. die physische Substanz der Arbeiterklasse abgeschwächt und relativ erschöpft ist, wie in allen Ländern entwickelter kapitalistischer Produktion, verkehren sich im allgemeinen brutale Arbeiten, die viel Muskelkraft erfordern, in höher gegenüber viel feineren Arbeiten, die auf die Stufe einfacher Arbeit herabsinken, wie z.B. die Arbeit eines brick-layer (Maurer) in England eine viel höhere Stu-

7. Labor Process and Valorization Process

example the labor of a bricklayer, which in England occupies a much higher level than that of a damask-weaver. Again, although the labor of a fustian cutter demands great bodily exertion, and is at the same time unhealthy, yet it counts only as unskilled labor. And then, we must not forget, that the so-called skilled labor does not occupy a large space in the field of national labor. Laing estimates that in England (and Wales) the livelihood of 11,300,000 people depends on unskilled labor. If from the total population of 18,000,000 living at the time when he wrote, we deduct 1,000,000 for the "genteel population," and 1,500,000 for paupers, vagrants, criminals, prostitutes, etc., and 4,650,000 who compose the middle-class, there remain the above mentioned 11,000,000. But in his middle-class he includes people that live on the interest of small investments, officials, men of letters, artists, schoolmasters and the like, and in order to swell the number he also includes in these 4,650,000 the better paid portioi of the factory operatives! The bricklayers, too, figure amongst them. (S. Laing: "National Distress," etc., London, 1844). "The great class who have nothing to give for food but ordinary labor, are the great bulk of the people." (James Mill, in art.: "Colony," Supplement to the Encyclop. Brit., 1831.)

306 But on the other hand, in every process of producing value, the reduction of skilled labor to average social labor, e.g., one day of skilled to x days of unskilled labor, is unavoidable.¹⁹ We therefore save ourselves a superfluous operation, and simplify our analysis, by the assumption, that the labor of the workman employed by the capitalist is unskilled average labor.

¹⁹ "Where reference is made to labor as a measure of value, it necessarily implies labor of one particular kind ... the proportion which the other kinds bear to it being easily ascertained." ("Outlines of Pol. Econ.", Lond., 1832, pp. 22 and 23.)

This argument is much elaborated in the French edition, 163:1:

On the other hand, whenever the production of value is the issue, higher labor must always be reduced to average social labor,

fe einnimmt als die eines Damastwirkers. Auf der andren Seite figuriert die Arbeit eines fustian cutter (Baumwollsamscherers), obgleich sie viel körperliche Anstrengung kostet und obendrein sehr ungesund ist, als „einfache“ Arbeit. Übrigens muß man sich nicht einbilden, daß die sogenannte „skilled labour“ einen quantitativ bedeutenden Umfang in der Nationalarbeit einnimmt. Laing rechnet, daß in England (und Wales) die Existenz von über 11 Millionen auf einfacher Arbeit beruht. Nach Abzug einer Million von Aristokraten und anderthalb Millionen Paupers, Vagabunden, Verbrecher, Prostituierte usw. von den 18 Millionen der Bevölkerungszahl, zur Zeit seiner Schrift, bleiben 4 650 000 Mittelklasse mit Einschluß kleinerer Rentner, Beamten, Schriftsteller, Künstler, Schulmeister usw. Um diese 4 2/3 Millionen herauszubekommen, zählt er zum arbeitenden Teil der Mittelklasse, außer Bankiers usw., alle besser bezahlten „Fabrikarbeiter“! Auch die bricklayers fehlen nicht unter den „potenzierten Arbeitern“. Bleiben ihm dann die besagten 11 Millionen. (S. Laing, „National Distress etc.,“ London 1844, [p. 49–52 passim].) „Die große Klasse, die für Nahrung nichts zu geben vermag als gewöhnliche Arbeit, ist die große Masse des Volkes.“ (James Mill in Art. „Colony“. „Supplement to the Encyclop. Brit.“, 1831.)

213 Andrseits muß in jedem Wertbildungsprozeß die höhere Arbeit stets auf gesellschaftliche Durchschnittsarbeit reduziert werden, z.B. ein Tag höherer Arbeit auf x Tage einfacher Arbeit.¹⁹ Man erspart also eine überflüssige Operation und vereinfacht die Analyse durch die Annahme, daß der vom Kapital verwandte Arbeiter einfache gesellschaftliche Durchschnittsarbeit verrichtet.

¹⁹ „Wo von Arbeit als Maßstab des Wertes gesprochen wird, versteht man darunter notwendigerweise Arbeit einer bestimmten Art ... das Verhältnis, in dem die andren Arten von Arbeit zu ihr stehen, ist leicht zu ermitteln.“ (J. Cazenove,] „Outlines of Polit. Economy“, London 1832, p. 22, 23.)

D'un autre côté, quand il s'agit de production de valeur, le travail supérieur doit toujours être réduit à la moyenne du travail so-

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for instance one day of complicated labor to two days of simple labor. If the mainstream economists are full of indignation about this “arbitrary assertion,” isn’t this an occasion to say, according to the German proverb, that the trees prevent them from seeing the forest! What they claim to be an artifact of the analysis is simply a procedure which is practiced every day in every corner of the world. Everywhere, the values of the most diverse commodities are indistinctly expressed in money, that means, in a certain amount of gold or silver. By this very act, the different kinds of labor represented in these values have been reduced in various proportions to determinate amounts of one and the same kind of social labor, the labor which produces gold and silver.

Gold producing labor is not the same as simple labor. But Marx does not say here that all complicated labor is reduced to gold producing labor. He argues that in the production of commodities, the qualitative differences between concrete labors are reduced to mere quantitative differences in abstract labor, with simple abstract labor, as it is possessed by every worker in the given country, being the numeraire. In order to support his claim that such a reduction takes place, he shows that in circulation, all commodities are reduced to gold, therefore the labor in them is reduced to gold-producing labor. But this is in circulation, not in production; from the second peculiarity of the equivalent form, 150:3, we know that in circulation, “concrete labor” (i.e., the labor producing gold) “becomes the form of manifestation of its opposite, abstract human labor.”

Question 626 (*Fri Oct 29–Mon Nov 1*) *What is the difference between production as the creation of use-value and production as the process of producing value? Compare especially the relationship between labor and the objective factors of the labor process.*

cial, une journée de travail complexe, par exemple, à deux journées de travail simple. Si des économistes comme il faut se sont récriés contre cette «assertion arbitraire», n'est ce pas le cas de dire, selon le proverbe allemand, que les arbres les empêchent de voir la forêt ! Ce qu'ils accusent d'être un artifice d'analyse, est tout bonnement un procédé qui se pratique tous les jours dans tous les coins du monde. Partout les valeurs des marchandises les plus diverses sont indistinctement exprimées en monnaie, c'est à dire dans une certaine masse d'or ou d'argent. Par cela même, les différents genres de travail, représentés par ces valeurs, ont été réduits, dans des proportions différentes, à des sommes déterminées d'une seule et même espèce de travail ordinaire, le travail qui produit l'or ou l'argent.

10. The Working-Day

“The working-day is . . . determinable, but in and for itself indeterminate.” This last sentence of 341:1 can be considered a summary of Marx’s argument in chapter Ten.

- “The length of the working-day is in and for itself indeterminate” means that there are no economic laws prescribing how long the working-day must be. Within certain limits, the capitalist economy functions equally well with a longer or shorter working-day. If one tries to derive the length of the working-day from the laws of commodity exchange, one gets different results if one looks at it from the point of view of the worker than if one looks at it from the point of view of the capitalist. This is discussed in section 10.1.
- But the length of the working-day is “determinable,” i.e., this length can be, and even must be, fixed by extra-economic forces. Since the length of the working-day is not determined by the market, the working-class is forced to take up political struggles as described in this chapter. The sections after section 10.1 give a “historical sketch” (sic in 411:1) of the struggles between capitalist class and working class in England, which led to a *legal* fixation of the working-day.

10.1. The Limits of the Working-Day

Marx’s starting point is the division of the working-day into two parts, necessary labor and surplus labor. “Necessary labor” is the length of time needed by the worker every day to produce an equivalent of his or her daily wage. “Surplus-labor” is the additional time during which the worker produces value appropriated without equivalent by the capitalist. This division of the working-day was already introduced in chapter Seven in a rather dramatic and entertaining fashion, see 297:4/o. The terminology “necessary labor-time” for that part of the working-day in which the worker produces an equivalent of his wages was formally defined in chapter Nine, 324:1/o. This concept should not be confused with that of “socially necessary labor-time” defined in chapter One, 129:2.

Question 627 (Tue Nov 2–Thu Nov 4) Why is the day taken as unit of labor-power, instead of hour or week? 2005fa, 2004fa, 2003fa, 2002fa, 2001fa.

10.1.a. [Indeterminacy of the Working-Day]

340:1 We started with the assumption that labor-power is bought and sold at its value. The value of labor-power, like that of any other commodity, is determined by the labor-time necessary for its production. If the production of the average daily con-

245:1 Wir gingen von der Voraussetzung aus, daß die Arbeitskraft zu ihrem Werte gekauft und verkauft wird. Ihr Wert, wie der jeder andren Ware, wird bestimmt durch die zu ihrer Produktion nötige Arbeitszeit. Erheischt also die Produktion der durch-

10.1. Limits of Working-Day

sumption of the laborer takes up 6 hours, he must work, on the average, 6 hours every day to produce his daily labor-power, or to reproduce the value he received when he sold it. The necessary part of his working-day amounts to 6 hours, and is, therefore, *caeteris paribus*, a given quantity. But with this, the length of the working-day itself is not yet given.

schnittlichen täglichen Lebensmittel des Arbeiters 6 Stunden, so muß er im Durchschnitt 6 Stunden per Tag arbeiten, um seine Arbeitskraft täglich zu produzieren oder den in ihrem Verkauf erhaltenen Wert zu reproduzieren. Der notwendige Teil seines Arbeitstags beträgt dann 6 Stunden und ist daher, unter sonst gleichbleibenden Umständen, eine gegebne Größe. Aber damit ist die Größe des Arbeitstags selbst noch nicht gegeben.

↑ Usually one thinks of the daily or weekly wage as a derived quantity: it is hourly wage times number of hours worked. The hourly wage is determined by economic laws, namely, the productivity of the kind of labor performed. The number of hours worked depends on the agreement between worker and employer. In the background of this is the notion that the worker is selling his or her labor, therefore wages depend on the labor performed. In chapter Nineteen, Marx will discuss in detail the surface appearances giving rise to this illusory notion. The present chapter Ten ignores these surface appearances and uses the simple framework of chapter Six, according to which the worker is not selling labor but labor-power, with the wage being the reimbursement for the costs of reproducing the labor-power. For labor-power, the smallest unit of measurement is the day. The reproduction costs of labor-power can be computed as the daily costs for food, rent, clothing, utilities, transportation, etc. Therefore for Marx the daily wage is a basic quantity, and the hourly wage the derived quantity.

With the daily wage fixed by the laws of chapter Six, the next important question is: “how long is the working-day?” Marx asks this question explicitly in 341:3/o, but this is the main question discussed throughout chapter Ten.

Question 634 (Tue Nov 2–Thu Nov 4) According to Marx, the daily wage is determined by the value of the “average daily consumption of the worker.” How is then the biweekly salary of a salaried employee determined, and how is the hourly wage of a hourly worker determined? [2008fa](#), [2007SP](#), [2004fa](#), [2003fa](#).

It is commonly thought that the length of the working-day is fixed by economic necessity. If the workers were to go home before the usual 8, 10, 12, 14 hours per day, then, it is believed, the economy would break down or the capitalists would have to close the factories. One can presently witness this kind of propaganda in the struggles for a shorter work week in Europe. Even the workers themselves cannot believe that it is economically possible that they work fewer hours each week and still get the same weekly wage. Mainstream economics perpetuates this myth: usually the length of the working-day is treated as a fixed magnitude. To add insult to injury, this length is said to be the result of free choice: you are stuck with such long hours because all other workers want it this way.

Marx, by contrast, says: the labor day consists of two parts, the necessary part and the surplus part. Only the necessary part is fixed by economic laws; the surplus part is variable. Marx is using here the day as unit of measurement of labor-power, not the hour. The daily wage is determined by the value of the “average daily means of subsistence” of the laborer. If the work day is 8 hours long, then perhaps only 3 hours are needed to reproduce this daily wage. These 3 hours are given by economic necessity: the working-day cannot be shorter

10. The Working-Day

than 3 hours. But the second part, consisting here of 5 hours, is variable. This part might be shorter or longer, according to the balance of forces between workers and capitalists. The factors determining this variable part are discussed in the remainder of section 10.1.

10.1.b. [The Inherent Limits of Surplus Labor]

340:2/o Let us assume that the line A—B represents the length of the necessary working time, say 6 hours. If the labor be prolonged 1, 3, or 6 hours beyond A—B, we have 3 different lines

working-day I A—B-C,
working-day II A—B—C,
working-day III A—B—C,

representing 3 different working-days of 7, 9, and 12 hours. The extension B—C of the line A—B represents the length of the surplus-labor. As the working-day is A—B + B—C or A—C, it varies with the variable quantity B—C.

This is a very simple relationship, and it might seem pedantic to go through it in such detail. However Marx's emphasis is justifiable because this simple relationship is *not* part of the common consciousness! The limits of necessary labor are not visible to the surface agents. No bell rings in the factories at 11 am to indicate that now the (unpaid) surplus labor begins. Also the fact that wages are paid per hour, not per day, is confusing here. The length of the necessary labor is part of the hidden social relations of production which chain us all together through invisible chains. Although it is not readily apparent in the surface interactions, it is real and its quantity is well-defined; Marx says in the next sentence that it is "given":
Since A—B is given, the ratio of B—C to A—B can always be calculated. In working-day I, it is 1/6, in working-day II, 3/6, in working-day III 6/6 of A—B.

The ratio $\frac{\text{surplus working time}}{\text{necessary working time}}$ is sometimes called the "rate of exploitation." This invisible rate of exploitation determines the rate of surplus-value, which is visible. Compare chapter Nine, 326:1.

Since further the ratio $\frac{\text{surplus working time}}{\text{necessary working time}}$ determines the rate of the surplus-value, the latter is given by the ratio of B—C to A—B. It amounts in the 3 different working-days respectively to 16 2/3, 50, and 100 per cent.

↓ This representation of the underlying relations of production on the surface however has holes: certain aspects of these relations are not visible.

On the other hand, the rate of surplus-value alone would not give us the extent of the working-day. If this rate, e.g., were 100 per cent, the working-day might be of

245:2/o Nehmen wir an, die Linie a—b stelle die Dauer oder Länge der notwendigen Arbeitszeit vor, sage 6 Stunden. Je nachdem die Arbeit über ab um 1, 3 oder 6 Stunden usw. verlängert wird, erhalten wir die 3 verschiedenen Linien:

Arbeitstag I a—b-c,
Arbeitstag II a—b—c,
Arbeitstag III a—b—c,

die drei verschiedene Arbeitstage von 7, 9 und 12 Stunden vorstellen. Die Verlängerungsline bc stellt die Länge der Mehrarbeit vor. Da der Arbeitstag = ab + bc oder ac ist, variiert er mit der variablen Größe bc.

Da ab gegeben ist, kann das Verhältnis von bc zu ab stets gemessen werden. Es beträgt in Arbeitstag I 1/6, in Arbeitstag II 3/6 und im Arbeitstag III 6/6 von ab.

Da ferner die Proportion $\frac{\text{Mehrarbeitszeit}}{\text{notwendige Arbeitszeit}}$ die Rate des Mehrwerts bestimmt, ist letztere gegeben durch jenes Verhältnis. Sie beträgt in den drei verschiedenen Arbeitstagen respektive 16 2/3, 50 und 100%.

Umgekehrt würde die Rate des Mehrwerts allein uns nicht die Größe des Arbeitstags geben. Wäre sie z.B. gleich 100%, so könnte der Arbeitstag 8-, 10-, 12stündig usw.

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8, 10, 12, or more hours. It would indicate that the two constituent parts of the working-day, necessary-labor and surplus-labor-time, were equal in extent, but not how long each of these two constituent parts was.

↑ This simple observation is relevant because Marx assumes that competition between workers and capitalists tends to equalize the rate of exploitation: an equal rate of exploitation can accommodate different lengths of the working-day.

341:1 The working-day is thus not a constant, but a variable quantity.

↑ By “variable” Marx means that there is no economic law which would force the total working-day to be a certain length. The basic structure of capitalism does not make this length a function of productivity or such; rather, it is “up for grabs.”

Although one of its parts is determined by the working time required for the reproduction of the labor-power of the laborer himself, its total length varies with the duration of the surplus-labor. The working-day is, therefore, determinable, but in and for itself indeterminate.³⁵

³⁵ “A day’s labour is vague, it may be long or short.” (“An Essay on Trade and Commerce, Containing Observations on Taxes, etc.” London 1770, p. 73.)

↑ After all this emphasis that the working-day is *indeterminate*, Marx adds the remark at the end, without further explanation, that the working-day is *determinable*. My interpretation of this is that the length of the working-day can be fixed by extra-economic forces (for instance by law). Such a fixation will not come in conflict with the economic laws of capitalism but, on the contrary, this chapter shows that capitalism itself needs the working-day to be fixed. The subject of this chapter is exactly how this in and for itself indeterminate quantity finds its determination.

Question 635 (Tue Nov 2–Thu Nov 4) Explain Marx’s sentence: “The working-day is determinable but in and for itself indeterminate.” 2009fa, 2008SP, 2007SP, 2005fa, 2004fa, 2003fa, 2002fa.

The discussion of the variability of the working-day is not yet finished. Marx’s next point is: the working-day can only vary within certain bounds. (These bounds might be considered the negation of the variability, i.e., the negation of the negation of the determination.)

341:2 The working-day is therefore not a fixed, but a fluid quantity. On the other hand, it can only vary within certain bounds.

↓ But the minimum bound eludes us again. On the one hand, there is one, on the other, there isn’t:

The minimum bound, however, is not determinable. Of course, if we make the ex-

sein. Sie würde anzeigen, daß die zwei Bestandteile des Arbeitstags, notwendige Arbeit und Mehrarbeit, gleich groß sind, aber nicht, wie groß jeder dieser Teile.

246:1 Der Arbeitstag ist also keine konstante, sondern eine variable Größe.

Einer seiner Teile ist zwar bestimmt durch die zur beständigen Reproduktion des Arbeiters selbst erheischte Arbeitszeit, aber seine Gesamtgröße wechselt mit der Länge oder Dauer der Mehrarbeit. Der Arbeitstag ist daher bestimmbar, aber an und für sich unbestimmt.³⁵

³⁵ „Ein Arbeitstag ist eine unbestimmte Größe, er kann lang oder kurz sein.“ („An Essay on Trade and Commerce, containing Observations on Taxation etc.“, London 1770, p. 73.)

246:2/o Obgleich nun der Arbeitstag keine feste, sondern eine fließende Größe ist, kann er anderseits nur innerhalb gewisser Schranken variieren.

Seine Minimalschranke ist jedoch unbestimmbar. Allerdings, setzen wir die Ver-

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tension line B—C or the surplus-labor = 0, we have a minimum bound, *i.e.*, the part of the day which the laborer must necessarily work for his own maintenance. On the basis of capitalist production, however, this necessary labor must always only form a part of the working-day; the working-day itself can never be reduced to this minimum.

↑ Isn't this hairsplitting? Why does Marx make so much ado about the simple fact that the labor-time must always be longer than the minimum? To answer this we need a concept Marx has just introduced two sentences earlier: this simple fact prevents the minimum of the labor-day from being *determinable*. In other words, there is no length of the work day which could be imposed on the capitalist economy *as a maximum* (in order to get a minimally exploitative capitalism). In *Value, Price and Profit*, [mecw20]145:5/o, Marx says that there is no minimum rate of profit because there is no maximum level of wages.

Perhaps Marx viewed this as another secret critique of Hegel, comparable to 132:3. If a minimum bound cannot be determined, although the working-day must be longer than necessary labor itself, then Hegel's pronouncement is incorrect that every negation is a determination. (Bhaskar [Bha93, p. 240:1] also criticizes this principle which, as he says, "is simply not true.")

Question 636 (Tue Nov 2–Thu Nov 4) Give other secret critiques of Hegel in Marx's Capital.

Question 637 (Tue Nov 2–Thu Nov 4) Could one not say that the minimum bound for the surplus-labor is enough surplus-labor that the capitalists can survive? 2009fa, 2008SP, 2007SP.

The maximum bound, by contrast, is determinable. It is even *multiply* determined, *i.e.*, different mechanisms kick in if the working-day is extended beyond certain threshold values: On the other hand, the working-day has a maximum bound. It cannot be prolonged beyond a certain point. This maximum bound is determined in two different ways. First, by the physiological bounds of labor-power. Within the 24 hours of the natural day a man can expend only a definite quantity of his vital force. Just as a horse can only work, from day to day, 8 hours. During part of the day this force must rest, sleep; during another part the man has to satisfy other physiological needs, to feed, wash, and clothe himself. Besides these purely physiological limits, the extension of the working-day encounters moral ones. The laborer needs time to satisfy his intellectual and social wants, the extent and number of which are conditioned by the general state

längerungslinie *bc*, oder die Mehrarbeit, = 0, so erhalten wir eine Minimalschranke, nämlich den Teil des Tags, den der Arbeiter notwendig zu seiner Selbsterhaltung arbeiten muß. Auf Grundlage der kapitalistischen Produktionsweise kann die notwendige Arbeit aber immer nur einen Teil seines Arbeitstages bilden, der Arbeitstag sich also nie auf dies Minimum verkürzen.

Dagegen besitzt der Arbeitstag eine Maximalschranke. Er ist über eine gewisse Grenze hinaus nicht verlängerbar. Diese Maximalschranke ist doppelt bestimmt. Einmal durch die physische Schranke der Arbeitskraft. Ein Mensch kann während des natürlichen Tags von 24 Stunden nur ein bestimmtes Quantum Lebenskraft verausgaben. So kann ein Pferd tagaus, tagein nur 8 Stunden arbeiten. Während eines Teils des Tags muß die Kraft ruhen, schlafen, während eines andren Teils hat der Mensch andre physische Bedürfnisse zu befriedigen, sich zu nähren, reinigen, kleiden usw. Außer dieser rein physischen Schranke stößt die Verlängerung des Arbeitstags auf moralische Schranken. Der Arbeiter braucht Zeit zur Befriedigung geistiger und sozialer Bedürf-

of social advancement.

nisse, deren Umfang und Zahl durch den allgemeinen Kulturzustand bestimmt sind.

The two mechanisms enforcing a maximum bound of the working-day are located in different layers of reality:

- Physiological: the continuous functioning of the labor-power is compatible only with a certain number of hours daily.
- Cultural: the laborer needs time to satisfy intellectual and social needs.

One page later, in 342:2/o, Marx formulates the physiological limit differently: the length of the work day must be such that it does not rob the laborer of his health or shorten his life. I will call these two sides of the physiological bounds the physiological bounds I and II. In 389:2/o Marx mentions a third mechanism which limited the working-day in pre-industrial times, namely, daylight.

Exam Question 638 *What are the minimal and maximal bounds for the length of the working-day, and how are they determined?* 2009fa, 2008SP, 2007fa, 2007SP, 2005fa, 2004fa, 2003fa, 2002fa, 2001fa, 2000fa.

The variation of the working-day takes place, therefore, within physiological and social bounds. But both these bounds are of a very elastic nature, and allow the greatest latitude.

Die Variation des Arbeitstags bewegt sich daher innerhalb physischer und sozialer Schranken. Beide Schranken sind aber sehr elastischer Natur und erlauben den größten Spielraum.

↑ At the end, Marx adds yet another level of negation: the minimum and maximum bounds are not only far apart, but they themselves are also elastic. This would be the negation of the negation of the negation. ↓ All this explains the great differences in the length of working-days that can be observed empirically.

So we find working-days of 8, 10, 12, 14, 16, 18 hours, i.e., of the most different lengths.

So finden wir Arbeitstage von 8, 10, 12, 14, 16, 18 Stunden, also von der verschiedensten Länge.

10.1.c. [Point of view of the Capitalist]

So far, Marx has discussed to what extent the length of the working-day is or is not determined by its inner anatomy. In other words, he identified the economic necessities affecting the number of hours workers have to work in a capitalist economy. Next he is asking whether and how the surface transactions between capitalist and laborer on the market *enforce* this inherent length of the working-day. The dialogue between capitalist and laborer which follows now must be taken metaphorically: the arguments given here verbally are acted out on the market place and in direct struggles (although the arguments themselves can also be found in the literature, as the footnotes demonstrate).

Throughout chapter Ten, Marx maintains the fiction that the daily wage is agreed upon first, and then afterwards capitalist and worker argue about it how long the worker has to work for this wage. Of course, the details of the transactions between worker and capitalist on the surface of the economy seem to be different: the wage is paid as hourly wage or piece wage, therefore it seems as if the daily wage was not fixed but that it was proportional to the amount of labor performed.

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On the other hand, the employee usually cannot decide how many hours of labor he or she is to perform: the length of the work day is given, and therefore the daily wage is given once we know what the hourly wage is. In practice, today's procedure with a fixed hourly wage but no substantial choice regarding the number of hours worked has therefore the same outcome as Marx's daily-wage bargain. If one looks at the data one will also not find proportionality between labor-time and wages; on the contrary, there are many low wage jobs which "compensate" for their low wages by long hours (see 688:1).

Marx claims that this is not an accident. The connection between labor and wage is not that wages are proportional to labor performed, but wages are an amount determined by the worker's cost of living, and the length of the work day is, just as the precise definition of the worker's cost of living, the result of struggles between capitalists and the working class. The hourly wage can then be computed by dividing the daily wage by the daily work requirement resulting from these class struggles. This theory of wages will be developed in chapter Nineteen.

Marx's fiction that worker and capitalist first decide on a daily wage and then argue how long the worker has to work is therefore justified: although it contradicts the details of the surface transactions, it captures the structure of the underlying processes mediated by these surface transactions better than the actual surface transactions themselves.

341:3/o The capitalist has bought the labor-power at its day-rate. To him its use-value belongs during one working-day. He has thus acquired the right to make the laborer work for him during one day. But, what is a working-day?³⁶

247:1 Der Kapitalist hat die Arbeitskraft zu ihrem Tageswert gekauft. Ihm gehört ihr Gebrauchswert während eines Arbeitstags. Er hat also das Recht erlangt, den Arbeiter während eines Tags für sich arbeiten zu lassen. Aber was ist ein Arbeitstag?³⁶

Marx answers this important question in several steps.

At all events, less than a natural day. By how much?

Jedenfalls weniger als ein natürlicher Lebenstag. Um wieviel?

If the working-day amounted to 24 hours this would be slavery. Capitalism is not slavery but it is based on commodity exchange, a transaction to which both parties voluntarily agree. Marx discusses therefore now the motivations of the two exchange partners, first those of the capitalist.

The capitalist has his own views of this *ultima Thule*, the necessary limit of the working-day.

Der Kapitalist hat seine eigene Ansicht über dies ultima Thule, die notwendige Schranke des Arbeitstags.

The capitalist's reasons for the exchange are different than the worker's. But before the reader can get the impression that Marx is giving a too sinister view of the inhumane goals of the capitalist, Marx interjects that the capitalist's motivations do not stem from human motives but from the tendencies of the social entity he or she represents:

As capitalist, he is only capital personified. His soul is the soul of capital.

Als Kapitalist ist er nur personifiziertes Kapital. Seine Seele ist die Kapitalseele.

↑ This is reminiscent of 92:1. ↓ The driving force is capital, not the capitalist.

Capital, in turn, has one single-minded life impulse, the drive to create value and surplus-value, to make its constant portion, the means of production, absorb the greatest possible amount of surplus-labor.³⁷ Capital is dead labor, that, vampire-like, only lives

Das Kapital hat aber einen einzigen Lebenstrieb, den Trieb, sich zu verwerten, Mehrwert zu schaffen, mit seinem konstanten Teil, den Produktionsmitteln, die größtmögliche Masse Mehrarbeit einzusaugen.³⁷ Das Kapital ist verstorbn Arbeit, die sich nur

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by sucking living labor, and lives the more, the more labor it sucks.

³⁷ “It is the aim of the capitalist to obtain with his expended capital the greatest possible quantity of labor (d’obtenir du capital dépensé la plus forte somme de travail possible). J. G. Courcelle-Seneuil. “Traité théorique et pratique des entreprises industrielles.” 2nd ed., Paris, 1857, p. 63.

Notice that the capitalist is not greedy; he represents the social force of value in motion, self-aggrandizing value. He does not say to the worker: “I have come to steal as much surplus labor as I can from you,” or “I am the vampire who needs your blood to come to life” or “I am stronger than you, you have to work for me.” On the contrary, he comes with the surprising claim that it is the *worker* who is robbing the capitalist and not the other way around—whenever the worker uses any of his disposable time for himself:

The time during which the laborer works is the time during which the capitalist consumes the labor-power he has purchased of him.³⁸ If the laborer consumes his disposable time for himself, he robs the capitalist.³⁹

The capitalist is robbing the worker under such circumstances that he can find reasons to say and think that it is the worker who is robbing the capitalist. What are these circumstances? The supposedly free and equal exchange on the market:

342:1 In other words, the capitalist appeals to the law of the exchange of commodities. He, like all other buyers, seeks to get the greatest possible benefit out of the use-value of his commodity.

Of course, the capitalist’s intentions have weight only because he has the resources to back them with action. If he does not make profits, he has the option to close down the factory. He has the monopoly over the means of production.

Question 639 (Tue Nov 2–Thu Nov 4) *What is the source of the paradox that on the surface, the worker robs the capitalist during every minute he rests, while in reality the capitalist robs the worker?* [2007fa](#), [2007SP](#), [2004fa](#), [2003fa](#), [2002fa](#).

Question 640 (Tue Nov 2–Thu Nov 4) *How long is the working-day from the point of view of the capitalist?* [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#), [2000fa](#).

10.1.d. [Point of view of the Worker]

The worker replies only after a delay:

Suddenly the voice of the laborer, which had been silenced in the storm and stress of the process of production, rises:

It often takes a sustained attack by the capitalist class before the working class, which is at first overwhelmed by the onslaught of capital, rallies and begins to fight back. Compare

vampyrmäßig belebt durch Einsaugung lebendiger Arbeit und um so mehr lebt, je mehr sie davon einsaugt.

³⁷ „Es ist die Aufgabe des Kapitalisten, mit dem verausgabten Kapital die größtmögliche Summe Arbeit herauszuschlagen.“ („D’obtenir du capital dépensé la plus forte somme de travail possible.“) (J.-G. Courcelle-Seneuil, „Traité théorique et pratique des entreprises industrielles“, 2ème édit., Paris 1857, p. 62.)

Die Zeit, während deren der Arbeiter arbeitet, ist die Zeit, während deren der Kapitalist die von ihm gekaufte Arbeitskraft konsumiert.³⁸ Konsumiert der Arbeiter seine disponible Zeit für sich selbst, so bestiehlt er den Kapitalisten.³⁹

247:2/o Der Kapitalist beruft sich also auf das Gesetz des Warenaustausches. Er, wie jeder andre Käufer, sucht den größtmöglichen Nutzen aus dem Gebrauchswert seiner Ware herauszuschlagen.

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390:1. The working class is also reactive on a deeper level: it uses the commodity form with much less enthusiasm than the capitalist class because this is not the form by which it can attain its goals. The market place is a battlefield which the workers would not choose, because there is no hope for a level playing field.

As in the case of the capitalist, Marx first looks at the worker's goals before asking how the market transaction can be used to attain these goals. These goals are formulated most succinctly in *Value, Price, and Profit*, [mecw20]141:1:

He sells his laboring power in order to maintain it, apart from its natural wear and tear, not in order to destroy it.

Question 641 (*Tue Nov 2–Thu Nov 4*) *Isn't it the motive of the worker, like that of the capitalist, to get as much money as possible?* [2009fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#).

In *Capital*, the worker does not state his goals at the beginning, but first describes how he is affected by the actions of the capitalists. Additional profits for the capitalist mean more labor for him:

342:2/o The commodity that I have sold you differs from the crowd of other commodities, in that its use creates value, and a value greater than its own. That is why you bought it. That which on your side appears as the valorization of capital, is on mine extra expenditure of labor-power.

248:1/o Die Ware, die ich dir verkauft habe, unterscheidet sich von dem andren Warenpöbel dadurch, daß ihr Gebrauch Wert schafft und größeren Wert, als sie selbst kostet. Dies war der Grund, warum du sie kaufstest. Was auf deiner Seite als Verwertung von Kapital erscheint, ist auf meiner Seite überschüssige Verausgabung von Arbeitskraft.

↑ But the worker is not allowed to criticize the capitalist for getting more value out of the use of his labor-power than the value of the labor-power. He acknowledges that the capitalist has bought his labor-power exactly for that reason, and by selling his labor-power he agrees to his exploitation. ↓ This exploitation does not violate the laws of the commodity exchange. The buyer of the labor-power has the right to use his commodity as he sees fit:

You and I know on the market only one law, that of the exchange of commodities. And the consumption of the commodity belongs not to the seller who parts with it, but to the buyer, who acquires it. To you, therefore, belongs the use of my daily labor-power.

Du und ich kennen auf dem Marktplatz nur ein Gesetz, das des Warenaustausches. Und der Konsum der Ware gehört nicht dem Verkäufer, der sie veräußert, sondern dem Käufer, der sie erwirbt. Dir gehört daher der Gebrauch meiner täglichen Arbeitskraft.

The laws of commodity exchange forbid the worker to argue with the capitalist how to *use* his labor-power, since he sold it to him. Nevertheless he derives, from the laws of commodity exchange, a limit to the use of his labor-power by the capitalist.

But by means of the price that you pay for it each day, I must be able to reproduce it daily, and to sell it again. Apart from natural exhaustion through age, etc., I must be able on the morrow to work with the same normal amount of force, health and freshness as today.

Aber vermittelst ihres täglichen Verkaufspreises muß ich sie täglich reproduzieren und daher von neuem verkaufen können. Abgesehen von dem natürlichen Verschleiß durch Alter usw., muß ich fähig sein, morgen mit demselben Normalzustand von Kraft, Gesundheit und Frische zu arbeiten, wie heute.

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Here the worker defines the use-value he is selling: only as much use of his labor-power as can be reproduced fully so that he can sell an identical labor-power on the next day. To justify this, he can use to his advantage the capitalist's frequent admonitions to be thrifty:

You preach to me constantly the gospel of "saving" and "abstinence." Good! I will, like a sensible saving owner, husband my sole wealth, labor-power, and abstain from all foolish waste of it. I will each day spend, set in motion, put into action only as much of it as is compatible with its normal duration and healthy development.

Du predigst mir beständig das Evangelium der „Sparsamkeit“ und „Enthaltung“. Nun gut! Ich will wie ein vernünftiger, sparsamer Wirt mein einziges Vermögen, die Arbeitskraft, haushalten und mich jeder tollen Verschwendug derselben enthalten. Ich will täglich nur soviel von ihr flüssig machen, in Bewegung, in Arbeit umsetzen, als sich mit ihrer Normaldauer und gesunden Entwicklung verträgt.

"My sole wealth" is a brief allusion at the class difference.

By an unlimited extension of the working-day, you may in one day use up a quantity of labor-power greater than I can restore in three. What you gain in labor I lose in substance.

Durch maßlose Verlängerung des Arbeitstags kannst du in einem Tage ein größeres Quantum meiner Arbeitskraft flüssig machen, als ich in drei Tagen ersetzen kann. Was du so an Arbeit gewinnst, verliere ich an Arbeitssubstanz.

↑ So far, Marx has argued that this contract violates the law of value because the capitalist is taking something the worker has not agreed to give. The worker has agreed to sell the normal use of his labor-power but not his own "substance." ↓ Next Marx asks the hypothetical question: what if the worker agreed to sell his or her own substance? In a pinch, many workers may think this is the only option they have. Here Marx makes another point: the sale of this substance at a regular wage is really "spoliation" because a regular wage is a much too low price for this substance:

The use of my labor-power and the spoliation of it are quite different things. If the average time that (doing a reasonable amount of work) an average laborer can live, is 30 years, the value of my labor-power, which you pay me from day to day, is $\frac{1}{365 \times 30}$ or $1/10950$ of its total value. But if you consume it in 10 years, you pay me daily $1/10950$ instead of $1/3650$ of its total value, i.e., only $1/3$ of its daily value, and you rob me, therefore, every day of $2/3$ of the value of my commodity. You pay me for one day's labor-power, whilst you use that of 3 days. That is against our contract and the law of exchanges.

Die Benutzung meiner Arbeitskraft und die Beraubung derselben sind ganz verschiedene Dinge. Wenn die Durchschnittsperiode, die ein Durchschnittsarbeiter bei vernünftigem Arbeitsmaß leben kann, 30 Jahre beträgt, ist der Wert meiner Arbeitskraft, den du mir einen Tag in den andren zahlst, $\frac{1}{365 \times 30}$ oder $1/10950$ ihres Gesamtwerts. Konsumierst du sie aber in 10 Jahren, so zahlst du mir täglich $1/10950$ statt $1/3650$ ihres Gesamtwerts, also nur $1/3$ ihres Tageswerts, und stiehlst mir daher täglich $2/3$ des Werts meiner Ware. Du zahlst mir eintägige Arbeitskraft, wo du dreitägige verbrauchst. Das ist wider unsren Vertrag und das Gesetz des Warenaustausches.

This additional argument comes to the same 1 for 3 ratio which appeared for the first time at the end of the previous paragraph.

Question 643 (Tue Nov 2–Thu Nov 4) How does the worker derive from the laws of commodity exchange a limit to the use of his labor-power by the capitalist? [2004fa](#).

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This concludes the worker's argument, which derives purely from the laws of commodity exchange, not from any other consideration, that capitalist is allowed to drive the worker to full exhaustion every day.

I demand, therefore, a working-day of normal length, and I demand it without any appeal to your heart, for in money matters sentiment is out of place.

The worker ends his plea with an allusion to the "humanitarian" image in which the capitalist likes to see himself. But instead of saying: you picture yourself as good but are really cruel, he abstains from moralizing. He merely points out that the capitalist represents principles which have nothing to do with human considerations.

You may be a model citizen, perhaps a member of the Society for the Prevention of Cruelty to Animals, and in the odor of sanctity to boot; but the thing that you represent against me has no heart in its breast.

Ich verlange also einen Arbeitstag von normaler Länge, und ich verlange ihn ohne Appell an dein Herz, denn in Geldsachen hört die Gemütlichkeit auf.

Du magst ein Musterbürger sein, vielleicht Mitglied des Vereins zur Abschaffung der Tierquälerei und obendrein im Geruch der Heiligkeit stehn, aber dem Ding, das du mir gegenüber repräsentierst, schlägt kein Herz in seiner Brust.

Despite the irony regarding the capitalist's saintliness, the worker importantly distinguishes between the capitalist as person, about whose morality he is agnostic, and the capitalist as the character mask of capital.

That which seems to throb there is my own heart-beating.

Was darin zu pochen scheint, ist mein eigner Herzschlag.

Capital has so much vitality that it seems to have a heart throbbing in its chest: but it draws its energy not from its own heart, it is rather the worker's heart which gives life to capital.

I demand the normal working-day because I, like every other seller, demand the value of my commodity.⁴⁰

Ich verlange den Normalarbeitstag, weil ich den Wert meiner Ware verlange, wie jeder andre Verkäufer.⁴⁰

Question 644 (Tue Nov 2–Thu Nov 4) Why did the worker in this whole argument never say to the capitalist "you are exploiting me"? [2008fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2000fa](#).

Question 645 (Tue Nov 2–Thu Nov 4) According to mainstream economics, one of the most important factors influencing the worker's choice how long he or she wants to work is the hourly wage. Which role does the hourly wage pay in Marx's working-day chapter? [2007SP](#).

10.1.e. [Conclusion: Right Against Right]

Although capitalist exploitation is squarely based on commodity exchange (it owes its effectiveness and resiliency to it), one important aspect of exploitation, the length of the working-day, is left indeterminate by the laws of commodity exchange:

344:1 We see, then: the nature of commodity exchange itself imposes no limits on the working-day, i.e., no limits on surplus labor, except for extremely elastic bounds.

249:1 Man sieht: Von ganz elastischen Schranken abgesehen, ergibt sich aus der Natur des Warenaustausches selbst keine Grenze des Arbeitstags, also keine Grenze der Mehrarbeit.

↑ Marx writes "nature of the commodity exchange itself" because he is talking about the surface of the economy, the sphere of exchange, as opposed to the core relations governing production. ↓ On the market, capital and labor interact as buyers and sellers of commodities.

The capitalist maintains his rights as a purchaser when he tries to make the working-day as long as possible, and to make, whenever possible, two working-days out of one. On the other hand, the peculiar nature of the commodity sold implies a limit to its consumption by the purchaser, and the laborer maintains his right as seller when he wishes to reduce the working-day to one of definite normal duration. There is here, therefore, an antinomy, right against right, both equally bearing the seal of the law of exchanges.

Der Kapitalist behauptet sein Recht als Käufer, wenn er den Arbeitstag so lang als möglich und womöglich aus einem Arbeitstag zwei zu machen sucht. Andrreitseits schließt die spezifische Natur der verkauften Ware eine Schranke ihres Konsums durch den Käufer ein, und der Arbeiter behauptet sein Recht als Verkäufer, wenn er den Arbeitstag auf eine bestimmte Normalgröße beschränken will. Es findet hier also eine Antinomie statt, Recht wider Recht, beide gleichmäßig durch das Gesetz des Warenaustausches besiegt.

Question 646 (Tue Nov 2–Thu Nov 4) Which “peculiarity” in the nature of labor-power implies a limit to its consumption by the capitalist? [2007SP](#), [2005fa](#), [2003fa](#).

Question 647 (Tue Nov 2–Thu Nov 4) How can rights get into contradiction with each other? [2007SP](#).

This vacuum is filled by class struggle (and institutionalized congelations of class struggle: trade unions and the state).

Between equal rights force decides. Hence is it that in the history of capitalist production, the determination of what is a working-day, presents itself as a struggle, a struggle between collective capital, *i.e.*, the class of capitalists, and collective labor, *i.e.*, the working-class.

Zwischen gleichen Rechten entscheidet die Gewalt. Und so stellt sich in der Geschichte der kapitalistischen Produktion die Normierung des Arbeitstags als Kampf um die Schranken des Arbeitstags dar—ein Kampf zwischen dem Gesamtkapitalisten, d.h. der Klasse der Kapitalisten, und dem Gesamtarbeiter, oder der Arbeiterklasse.

Question 648 (Tue Nov 2–Thu Nov 4) Discuss the points of view of capitalist and laborer in the dispute around the length of the working-day. Why can this dispute only be resolved by force? [2007fa](#).

Question 649 (Tue Nov 2–Thu Nov 4) Why is a struggle of classes, not of competing individuals, necessary to define the working-day? [2007SP](#).

10.2. The Thirst for Surplus Labor. Manufacturer and Boyard

344:2/o Capital has not invented surplus-labor. Wherever a part of society possesses the monopoly of the means of production, the laborer, free or not free, must add to the working time necessary for his own maintenance an extra working time in or-

249:2/o Das Kapital hat die Mehrarbeit nicht erfunden. Überall, wo ein Teil der Gesellschaft das Monopol der Produktionsmittel besitzt, muß der Arbeiter, frei oder unfrei, der zu seiner Selbsterhaltung notwendigen Arbeitszeit überschüssige Arbeitszeit

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der to produce the means of subsistence for the owners of the means of production,⁴¹ whether this proprietor be the Athenian καλὸς καγαθός, Etruscan theocrat, civis Romanus, Norman baron, American slave-owner, Wallachian Boyard, modern landlord or capitalist.⁴²

⁴¹ “Those who labor . . . in reality feed both the pensioners . . . [called the rich] and themselves.” Edmund Burke [Bur00, p. 2, 3]

Surplus labor is not new in capitalism. But capitalism does bring something new: It is, however, clear that in any given economic formation of society, where not the exchange-value but the use-value of the product predominates, surplus-labor will be circumscribed by a given set of wants which may be greater or less, that therefore no boundless thirst for surplus-labor arises from the characteristic form of production itself.

In the one situation where production in antiquity was motivated by exchange-value instead of use-value, the exploitation of slaves was much more barbaric and horrible than elsewhere:

Hence in antiquity over-work becomes horrible only when the object is to obtain exchange-value in its specific independent money-form; in the production of gold and silver. Compulsory working to death is here the recognised form of over-work. Just read Diodorus Siculus.⁴³

⁴³ “One cannot see these unfortunates (in the gold mines between Egypt, Ethiopia, and Arabia) who cannot even have their bodies clean, or their nakedness clothed, without pitying their miserable lot. There is no indulgence, no forbearance for the sick, the feeble, the aged, for woman’s weakness. All must, forced by blows, work on until death puts an end to their sufferings and their distress.” (“Diod. Sic. Bibl. Hist.” lib. 2, c. 13, [p. 260].)

↑ The gold mines are evidence that production for value rather than use-value leads to overwork. ↓ In antiquity, production for value was only an exception.

Yet these are exceptions in antiquity.

↓ In more recent history, similar horrors became typical when traditional coercive rela-

zusetzen, um die Lebensmittel für den Eigener der Produktionsmittel zu produzieren,⁴¹ sei dieser Eigentümer nun atheniensischer καλὸς καγαθός, etruskischer Theokrat, civis romanus, normännischer Baron, amerikanischer Sklavenhalter, walachischer Bojar, moderner Landlord oder Kapitalist.⁴²

⁴¹ „Diejenigen, die arbeiten . . . ernähren in Wirklichkeit sowohl die Pensionäre, genannt die Reichen, als auch sich selbst.“ Edmund Burke [Bur00, p. 2, 3]

Indes ist klar, daß, wenn in einer ökonomischen Gesellschaftsformation nicht der Tauschwert, sondern der Gebrauchswert des Produkts vorwiegt, die Mehrarbeit durch einen engern oder weitern Kreis von Bedürfnissen beschränkt ist, aber kein schrankenloses Bedürfnis nach Mehrarbeit aus dem Charakter der Produktion selbst entspringt.

Entsetzlich zeigt sich daher im Altertum die Überarbeit, wo es gilt, den Tauschwert in seiner selbständigen Geldgestalt zu gewinnen, in der Produktion von Gold und Silber. Gewaltsames zu Tod arbeiten ist hier die offizielle Form der Überarbeit. Man lese nur den Diodorus Siculus.⁴³

⁴³ „Man kann diese Unglücklichen“ (in den Goldbergwerken zwischen Ägypten, Äthiopien und Arabien), „die nicht einmal ihren Körper reinlich halten noch ihre Blöße decken können, nicht ansehen, ohne ihr jammervolles Schicksal zu beklagen. Denn da findet keine Nachsicht und keine Schonung statt für Kranke, für Gebrechliche, für Greise, für die weibliche Schwachheit. Alle müssen, durch Schläge gezwungen, fortarbeiten, bis der Tod ihren Qualen und ihrer Not ein Ende macht.“ (Diod. Sic. „Historische Bibliothek“, Buch 3, c. 13, [p. 260].)

Doch sind dies Ausnahmen in der alten Welt.

tions of exploitation were drawn into the capitalist world market. Here a second difference between the old relations and capitalism comes into play: the old relations are based on direct coercion, while capitalism is based on free sale of labor-power.

But as soon as peoples, whose production still moves within the lower forms of slave-labor, corvée-labor, etc., are drawn into the whirlpool of an international market dominated by the capitalist mode of production, the sale of their products for export becoming their principal interest, then the civilized horrors of overwork are grafted on the barbaric horrors of slavery, serfdom, etc.

↓ Slavery in the USA is an important example of this:

Hence the negro labor in the Southern States of the American Union preserved something of a patriarchal character, so long as production was chiefly directed to immediate local consumption. But in proportion, as the export of cotton became of vital interest to these states, the over-working of the negro and sometimes the using up of his life in 7 years of labor became a factor in a calculated and calculating system. It was no longer a question of obtaining from him a certain quantity of useful products. It was now a question of production of surplus-value itself.

↓ Slavery is not the only example.

So was it also with the corvée, e.g., in the Danubian Principalities (now Romania).

Sobald aber Völker, deren Produktion sich noch in den niedrigen Formen der Sklavenarbeit, Fronarbeit usw. bewegt, hineingezogen werden in einen durch die kapitalistische Produktionsweise beherrschten Weltmarkt, der den Verkauf ihrer Produkte ins Ausland zum vorwiegenden Interesse entwickelt, wird den barbarischen Greueln der Sklaverei, Leibeigenschaft usw. der zivilisierte Greuel der Überarbeit aufgepropft.

Daher bewahrte die Negerarbeit in den südlichen Staaten der amerikanischen Union einen gemäßigt patriarchalischen Charakter, solange die Produktion hauptsächlich auf den unmittelbaren Selbstbedarf gerichtet war. In dem Grade aber, wie der Baumwollexport zum Lebensinteresse jener Staaten, ward die Überarbeitung des Negers, hier und da die Konsumtion seines Lebens in sieben Arbeitsjahren, Faktor eines berechneten und berechnenden Systems. Es galt nicht mehr, eine gewisse Masse nützlicher Produkte aus ihm herauszuschlagen. Es galt nun der Produktion des Mehrwerts selbst.

Ähnlich mit der Fronarbeit, z.B. in den Donauprincipalitäten.

Question 652 (Tue Nov 2–Thu Nov 4) What are the main differences distinguishing capitalism from earlier forms of exploitation? [2007fa](#), [2005fa](#).

Question 653 (Tue Nov 2–Thu Nov 4) How did pre-capitalistic forms of exploitation change when they came into contact with capitalism (slave-labor, corvée-labor)? [2007fa](#).

The remainder of this section is a detailed comparison between the corvée system and capitalism.

For the purposes of Econ 5080, this description of the Corvée laws will be skipped.

Question 655 (Tue Nov 2–Thu Nov 4) Marx says that in capitalism, necessary labor and surplus-labor “glide” into each other; one might also give the translation that they are “intermixed” or “blurred” (*verschwimmen ineinander*). What does this mean? [2007SP](#).

Question 659 (Tue Nov 2–Thu Nov 4) Why does the Réglement organique reveal “deep insight into Political Economy”? And in which respect is it cunning?

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Question 660 (*Tue Nov 2–Thu Nov 4*) How did the *Réglement Organique* facilitate its own circumvention? Compare the evasions of the *Réglement Organique* with those of the factory acts.

After his description of the state legislation legalizing and extending bonded labor in the Danubian provinces, Marx makes a comparison with the recent legislation in England, the “Factory Acts” of 1850, limiting the working-day to 10 hours (see 349:1).

348:1 While the *Réglement organique* of the Danubian Principalities was a positive expression of the appetite for surplus labor, which every paragraph legalized, the English Factory Acts are negative expressions of the same appetite.

253:2 War das *Réglement organique* der Donaufürstentümer ein positiver Ausdruck des Heißhunders nach Mehrarbeit, den jeder Paragraph legalisiert, so sind die englischen Factory-Acts negative Ausdrücke desselben Heißhunders.

Question 662 (*Tue Nov 2–Thu Nov 4*) How were the “*Réglement organique*” in the Danubian Provinces and the “Factory Acts” in England, which were passed only 30 years apart in time from each other, both expressions of the greed for surplus-labor? Why did Marx call one a “positive” and one a “negative” expression?

↑ At first glance, the Factory Acts seem to be the opposite of the *Réglement Organique*: they limit the work days instead of extending them. But Marx calls them an expression of the same drive, even if this expression has the opposite sign.

These laws curb capital’s drive to suck as much as it can get out of labor-power, curbs it by forcibly limiting the working-day on the authority of the state, a state which is ruled by capitalist and landlord.

Diese Gesetze zügeln den Drang des Kapitals nach maßloser Aussaugung der Arbeitskraft durch gewaltsame Beschränkung des Arbeitstags von Staats wegen, und zwar von Seiten eines Staats, den Kapitalist und Landlord beherrschen.

Why would a state controlled by the capitalists and landowners limit the exploitation of labor-power? ↓ Marx gives two kinds of reasons. On the one hand, the strength of the labor movement. On the other hand, the legislation was *necessary for society* (although it was against the interest of the capitalist class). The comparison with guano shows that the blind drive for profits needs corrective action also in other ways.

Apart from the daily more threatening advance of the working-class movement, the limiting of factory labor was dictated by the same necessity as forced the manuring of English fields with guano. The same blind desire for profit that in the one case exhausted the soil had in the other case seized hold of the vital force of the nation at its roots.

Von einer täglich bedrohlicher anschwellenden Arbeiterbewegung abgesehn, war die Beschränkung der Fabrikarbeit diktiert durch dieselbe Notwendigkeit, welche den Guano auf die englischen Felder ausgoß. Dieselbe blinde Raubgier, die in dem einen Fall die Erde erschöpft, hatte in dem andren die Lebenskraft der Nation an der Wurzel ergriffen.

↑ Marx gives here two very different reasons for the Factory Acts: pressure of the working class, and necessity to preserve the vital force of the nation, which is also addressed in 533:1. The deeper reason, the principle, as Marx says later in 408:2/o, is the general interest of society not to have the productivity of its workers undermined. This general and necessary social principle is enforced by the struggles of the working class for a limitation of the working-day. “Without the working man’s continuous pressure from without that (legislative) interference would have never taken place” (*Value, Price and Profit*, p. [mecw20]146:2).

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Here the working class struggles not only for its own class interest, but for the general social interest, which the ruling class, by itself, is unable to pursue.

The capitalists like to claim that they act in the interest of society as a whole, while the working class only has its own particular interest in mind which is an obstacle to general social progress. This claim becomes less and less justified. The capitalists don't even act in the long-term interest of their own class any more. Instead, the proletariat begins to be the class whose class interest coincides with the general interest of society. "Apart from higher motives, ... their own most important interests dictate to the classes that are for the nonce the ruling ones, the removal of all legally removable hindrances to the free development of the working class" (91:3/o).

The state found itself in the contradictory situation of giving in to the demands of the working class in order to heed the long-term interests of capital. The state's failure to enforce its own legislation shows how contradictory this role is.

The last sentence of this paragraph and footnote 46 give evidence that there was indeed physiological encroachment, not only "moral" encroachment:

Periodical epidemics speak as clearly on this point as the diminishing military standard of height in France and Germany. ⁴⁶	Periodische Epidemien sprachen hier ebenso deutlich als das abnehmende Soldatenmaß in Deutschland und Frankreich. ⁴⁶
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Question 664 (Tue Nov 2–Thu Nov 4) *Would the capitalists have ended up introducing the factory acts themselves if the workers had not fought for them?* [2007SP](#), [2004fa](#).

The remainder of Section 10.2 brings excerpts from the reports of the English factory inspectors giving testimony of this. For the purposes of Econ 5080, this will be skipped.

Term Paper Topic 666 (Tue Nov 2–Thu Nov 4) *Essay about Chapter Ten (Choose any Part of the Chapter not Covered in Class)* [2005fa](#), [2001fa](#), [1999SP](#), [1998WI](#), [1997ut](#), [1997sp](#), [1997WI](#).

Term Paper Topic 667 (Tue Nov 2–Thu Nov 4) *Children and the Struggle around the Working Day* [2009fa](#), [2008fa](#), [2008SP](#), [2007SP](#), [2004fa](#), [2003fa](#), [2002fa](#).

We will bring one more section of Chapter Ten, namely, section 10.5.

10.5. The Struggle around the Normal Working-Day. Compulsory Laws for the Extension of the Working-Day from the Middle of the 14th to the End of the 17th Century

The remainder of chapter Ten, starting with section 10.5, discusses the struggle around the length of the normal working-day. When Marx wrote *Capital*, the working class had just won an important victory in these struggles.

Originally, these struggles were initiated by the capitalists, not by the working class. The working class movement arose out of self-defense after centuries of sustained attacks by the capitalists. For 450 years, the English laborers had to put up with a steady prolongation of the working-day imposed on them by law.

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10.5.a. [What is a working-day?]

Before discussing the struggles themselves, i.e. the historical *processes* through which the length of the working-day was fixed (344:1), Marx develops the mechanisms which determine this length, and their interconnection. (1) Marx starts with an entirely unregulated work day in which the capitalist extends the working hours until he runs into the worker's physiological bounds I. (2) In this process, capital also oversteps other bounds. Not only the "moral" bounds of the working-day, which used to be quite effective in the past, but also the physiological bounds II. (3) The disregard of the physiological bounds II implies that even capital's own long-run economic interest would be served by a shortening of the working-day. (4) However there is no competitive mechanism enforcing this. Why not? Because of rural overpopulation.

After this, as proof that these mechanisms are actually at work, Marx brings empirical evidence showing that at the time when the Factory Acts were passed, labor-power was indeed over-used to the point that it no longer possessed its normal strength.

375/o What is a working-day? What is the length of time during which capital may consume the labor-power whose daily value it has paid for? How far may the working-day be extended beyond the amount of labor-time necessary for the reproduction of labor-power itself?

↑ The importance of this question, as well of the working-day, were already emphasized in 341:3/o. The formulation here makes clear that only the surplus part is variable.

↓ The capitalists's point of view:

It has been seen that to these questions capital replies: the working-day contains the full 24 hours, with only the few hours of repose subtracted without which labor-power absolutely refuses its service again.

↑ This is the maximum possible length in the absence of any regulation of the length of the working-day: the capitalist will simply use the labor-power until the worker is physically unable to continue to work. This was indeed the case in England during the Industrial Revolution. ↓ Marx criticizes this point of view in two ways:

(1) By insisting that everything the worker does must be related to work and not to any other purpose—which does not mean that he or she has to *work* 24 hours a day, the worker also has to recover from work and prepare for work, etc.—capital oversteps the *moral* bounds of the working-day. Marx continues to present the point of view of the capitalist, but now in a polemical, critical style:

First of all it is self-evident that the laborer is for 24 hours a day nothing else than labor-power, that therefore all his disposable time is by nature and law labor-time, to be devoted to the self-expansion of capital. Time for education, for intellectual development, for the fulfilling of social functions and for

279/oo „Was ist ein Arbeitstag?“ Wie groß ist die Zeit, während deren das Kapital die Arbeitskraft, deren Tageswert es zahlt, konsumieren darf? Wie weit kann der Arbeitstag verlängert werden über die zur Reproduktion der Arbeitskraft selbst notwendige Arbeitszeit?

Auf diese Fragen, man hat es gesehn, antwortet das Kapital: Der Arbeitstag zählt täglich volle 24 Stunden nach Abzug der wenigen Ruhestunden, ohne welche die Arbeitskraft ihren erneuerten Dienst absolut versagt.

Es versteht sich zunächst von selbst, daß der Arbeiter seinen ganzen Lebenstag durch nichts ist außer Arbeitskraft, daß daher alle seine disponibile Zeit von Natur und Rechts wegen Arbeitszeit ist, also der Selbstverwertung des Kapitals angehört. Zeit zu menschlicher Bildung, zu geistiger Entwicklung,

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social intercourse, for the free-play of his bodily and mental activity, even the rest time of Sunday (and that in a country of Sabbatarians!)¹⁰⁴—moonshine!

zur Erfüllung sozialer Funktionen, zu geselligem Verkehr, zum freien Spiel der physischen und geistigen Lebenskräfte, selbst die Feierzeit des Sonntags—and wäre es im Lande der Sabbatheiligen¹⁰⁴—reiner Firlefanz!

Question 668 (Tue Nov 2–Thu Nov 4) Is it true today that the laborer is for 24 hours a day nothing else than labor-power? 2009fa, 2007fa, 2007SP, 2004fa, 2003fa.

↓ (2) Capital also oversteps the *physiological* bounds II of the working-day.

But in its blind unrestrainable compulsion, its were-wolf hunger for surplus-labor, capital oversteps not only the moral, but even the merely physical maximum bounds of the working-day. It usurps the time for growth, development, and healthy maintenance of the body. It steals the time required for the consumption of fresh air and sunlight. It higgles over a meal-time, incorporating it where possible with the process of production itself, so that food is given to the laborer as to a mere means of production, as coal is supplied to the boiler, grease and oil to the machinery. It reduces the sound sleep needed for the restoration, reparation, refreshment of the bodily powers to just so many hours of torpor as the revival of an organism, absolutely exhausted, renders essential.

Aber in seinem maßlos blinden Trieb, seinem Werwolfs-Heißhunger nach Mehrarbeit, überrennt das Kapital nicht nur die moralischen, sondern auch die rein physischen Maximalschranken des Arbeitstags. Es usurpiert die Zeit für Wachstum, Entwicklung und gesunde Erhaltung des Körpers. Es raubt die Zeit, erheischt zum Verzehr von freier Luft und Sonnenlicht. Es knickt ab an der Mahlzeit und einverleibt sie womöglich dem Produktionsprozeß selbst, so daß dem Arbeiter als bloßem Produktionsmittel Speisen zugesetzt werden wie dem Dampfkessel Kohle und der Maschinerie Talg oder Öl. Den gesunden Schlaf zur Sammlung, Erneuerung und Erfrischung der Lebenskraft reduziert es auf so viel Stunden Erstarrung, als die Wiederbelebung eines absolut erschöpften Organismus unentbehrlich macht.

↓ The capitalist point of view about the length of the working day, against which Marx is polemicizing here, is itself defined by some kind of physiological boundary. This is why this commentary distinguishes between physiological boundary I and physiological boundary II. The difference between the two, according to Marx, is a reversal between what bounds and what is bounded:

It is not the normal maintenance of the labor-power which determines here the limits of the working-day; it is the greatest possible daily expenditure of labor-power, no matter how diseased, compulsory, and painful it may be, which determines the limits of the laborers' period of repose.

Statt daß die normale Erhaltung der Arbeitskraft hier die Schranke des Arbeitstags, bestimmt umgekehrt die größte täglich mögliche Verausgabung der Arbeitskraft, wie krankhaft gewaltsam und peinlich auch immer, die Schranke für die Rastzeit des Arbeiters.

↑ This gives an interesting characterization of the difference between physiological boundaries I and II: that which bounds and that which is bounded is reversed. Instead of being allowed to rest until their body is fully recovered (boundary II), the workers must work until they are no longer able to work, after which they are just given enough rest time until their ability to work returns (boundary I). The capitalist finds out how long he can use the

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labor-power every day before it absolutely refuses its service because of the exhaustion of the laborer; and only the rest of the day, which is no longer of use for the capitalist, is left to the worker to sleep, etc. This sleep may then be enough to enable the worker to work again long hours before he is exhausted on the next day, but it is not enough to regain full health and strength. ↓ The point of view of the capitalist, if unopposed, leads therefore to action that is destructive of the worker himself:

Capital cares nothing for the length of life of labor-power. All that concerns it is simply and solely the maximum of labor-power, that can be rendered fluent in one working-day. It attains this end by decreasing the length of the laborer's life, as a greedy farmer snatches increased produce from the soil by robbing it of its fertility.

↓ The analogy with the greedy farmer raises the question: won't this overextension of the working-day, the destruction of the labor-power which sustains capital, eventually contradict capital's own interests?

376:1/o Capitalist production, which is essentially the production of surplus-value, the absorption of surplus-labor, produces thus, with the extension of the working-day, not only the stunting of human labor-power by robbing it of its normal moral and physical conditions of development and function. It produces also the premature exhaustion and destruction of this labor-power itself.¹⁰⁵ It extends the laborer's time of production during a given period by shortening his overall life-time.

Note the choice of words: Capitalism produces not only the stunting of the “*human labor-power*” (which is not allowed to develop itself morally, etc., as a human), but also the exhaustion and destruction of the “*labor-power itself*” (not only of its human characteristics but of its mere physiological existence).

Next, Marx brings a second argument, which has nothing to do with the concern for the worker, but is solely based on the self-interest of capital: it is against the interest of capital to ignore the physiological boundaries II:

377:1 But the value of the labor-power includes the value of the commodities necessary for the reproduction of the worker, or for the keeping up of the working-class. If then the unnatural extension of the working-day, that capital necessarily strives after in its unmeasured passion for self-expansion, shortens the length of life of the individual laborer, and therefore the duration of his

Das Kapital fragt nicht nach der Lebensdauer der Arbeitskraft. Was es interessiert, ist einzig und allein das Maximum von Arbeitskraft, das in einem Arbeitstag flüssig gemacht werden kann. Es erreicht dies Ziel durch Verkürzung der Dauer der Arbeitskraft, wie ein habgieriger Landwirt gesteigerten Bodenertrag durch Beraubung der Bodenfruchtbarkeit erreicht.

281:1 Die kapitalistische Produktion, die wesentlich Produktion von Mehrwert, Einsaugung von Mehrarbeit ist, produziert also mit der Verlängerung des Arbeitstags nicht nur die Verkümmерung der menschlichen Arbeitskraft, welche ihrer normalen moralischen und physischen Entwicklungs- und Betätigungsbedingungen beraubt wird. Sie produziert die vorzeitige Erschöpfung und Abtötung der Arbeitskraft selbst.¹⁰⁵ Sie verlängert die Produktionszeit des Arbeiters während eines gegebenen Termins durch Verkürzung seiner Lebenszeit.

281:2 Der Wert der Arbeitskraft schließt aber den Wert der Waren ein, welche zur Reproduktion des Arbeiters oder zur Fortpflanzung der Arbeiterklasse erheischt sind. Wenn also die naturwidrige Verlängerung des Arbeitstags, die das Kapital in seinem maßlosen Trieb nach Selbstverwertung notwendig anstrebt, die Lebensperiode der einzelnen Arbeiter und damit die Dauer ihrer

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labor-power, the forces used up have to be replaced at a more rapid rate and the sum of the expenses for the reproduction of labor-power will be greater; just as in a machine the part of its value to be reproduced every day is greater the more rapidly the machine is worn out.

The comparison with a machine is not sufficient to make the point which comes next, since the capitalist does not lose as long as the higher wages are proportional to the higher amount of labor received. In *Value, Price and Profit*, [mecw20]141:1, Marx makes the further point:

“But this distinguishes the working man from the machine. Machinery does not wear out exactly in the same ratio in which it is used. Man, on the contrary, decays in a greater ratio than would be visible from the mere numerical addition of work.”

In *Capital*, Marx says something similar in chapter Seventeen, 664:1. It is because of this disproportionality that the overuse of labor-power decreases the rate of surplus-value.

It would seem therefore that the interest of capital itself points in the direction of a normal working-day.

Arbeitskraft verkürzt, wird rascherer Ersatz der verschlissenen nötig, also das Eingehen größerer Verschleißkosten in die Reproduktion der Arbeitskraft, ganz wie der täglich zu reproduzierende Wertteil einer Maschine um so größer ist, je rascher sie verschleißt.

Das Kapital scheint daher durch sein eignes Interesse auf einen Normalarbeitstag hingewiesen.

Question 669 (Tue Nov 2–Thu Nov 4) Explain how an excessive lengthening of the work day decreases the rate of surplus-value. 2009fa, 2007SP, 2005fa, 2002fa.

Does this mean that capital will indeed shorten the work day? The answer is no, because workers killed off prematurely are replaced from the rural overpopulation. In order to develop this part of the argument, Marx uses slavery as an example:

377:2 The slave-owner buys his laborer as he buys his horse. If he loses his slave, he loses capital that can only be restored by new outlay in the slave-mart.

281:3–282:0 Der Sklavenhalter kauft seinen Arbeiter, wie er sein Pferd kauft. Mit dem Sklaven verliert er ein Kapital, das durch neue Auslage auf dem Sklavenmarkt ersetzt werden muß.

↑ Does this mean that the economic self-interest of the slave master protects the slave?

But

Aber

“the rice-grounds of Georgia, or the swamps of the Mississippi may be fatally injurious to the human constitution; but the waste of human life which the cultivation of these districts necessitates, is not so great that it cannot be repaired from the teeming preserves of Virginia and Kentucky.

„die Reisfelder von Georgien und die Sümpfe des Mississippi mögen fatalistisch zerstörend auf die menschliche Konstitution wirken; dennoch ist diese Verwüstung von menschlichem Leben nicht so groß, daß sie nicht gutgemacht werden könnte aus den strotzenden Gehegen von Virginien und Kentucky.

↓ Under these conditions, considerations of economy do not help the slave but, on the contrary, are murderous:

Considerations of economy, moreover, which, under a natural system, afford some security for humane treatment by identifying the master's interest with the slave's preservation, when once trading in slaves is practiced, become reasons for racking to the uttermost the

Ökonomische Rücksichten, die eine Art Sicherheit für die menschliche Behandlung des Sklaven bieten könnten, sofern sie das Interesse des Herrn mit der Erhaltung des Sklaven identifizieren, verwandeln sich, nach Einführung des Sklavenhandels, umgekehrt in

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toil of the slave; for, when his place can at once be supplied from foreign preserves, the duration of his life becomes a matter of less moment than its productiveness while it lasts. It is accordingly a maxim of slave management, in slave-importing countries, that the most effective economy is that which takes out of the human chattel in the shortest space of time the utmost amount of exertion it is capable of putting forth.

↓ Very similar mechanisms are at work in capitalism:

378:1 Under a different name the story is being told about you. For slave-trade read labor-market, for Kentucky and Virginia, Ireland and the agricultural districts of England, Scotland, and Wales, for Africa, Germany. We heard how over-work thinned the ranks of the bakers in London. Nevertheless, the London labor-market is always over-stocked with German and other candidates for death in the bakeries. Pottery, as we saw, is one of the shortest-lived industries. Is there any want therefore of potters? Josiah Wedgwood, the inventor of modern pottery, himself originally a common workman, said in 1785 before the House of Commons that the whole trade employed from 15,000 to 20,000 people.¹⁰⁷ In the year 1861 the population alone of the town centres of this industry in Great Britain numbered 101,302.

“The cotton trade has existed for ninety years ... It has existed for three generations of the English race, and I believe I may safely say that during that period it has destroyed nine generations of factory operatives.”¹⁰⁸

Question 670 (Tue Nov 2–Thu Nov 4) What is wrong with the argument that the economic self-interest of the capitalists themselves will see to it that they treat their workers well?
2008fa, 2004fa, 2002fa.

378:2p No doubt in certain epochs of feverish activity the labor-market shows significant gaps. In 1834, e.g. But then the manufacturers proposed to the Poor Law Commissioners that they should send the “surplus-population” of the agricultural districts to the north, with the explanation “that

Gründe der extremsten Zugrunderichtung des Sklaven, denn sobald sein Platz einmal durch Zufuhr aus fremden Negergehegen ausgefüllt werden kann, wird die Dauer seines Lebens minder wichtig als dessen Produktivität, so lange es dauert. Es ist daher eine Maxime der Sklavenwirtschaft in Ländern der Sklaveneinfuhr, daß die wirksamste Ökonomie darin besteht, die größtmögliche Masse Leistung in möglichst kurzer Zeit dem Menschenvieh (human chattel) auszupressen.

282:1 Mutato nomine de te fabula narratur! Lies statt Sklavenhandel Arbeitsmarkt, statt Kentucky und Virginien Irland und die Agrikulturdistrikte von England, Schottland und Wales, statt Afrika Deutschland! Wir hörten, wie die Überarbeit mit den Bäckern in London aufräumt, und dennoch ist der Londoner Arbeitsmarkt stets überfüllt mit deutschen und andren Todeskandidaten für die Bäckerei. Die Töpferei, wie wir sahen, ist einer der kurzlebigsten Industriezweige. Fehlt es deswegen an Töpfern? Josiah Wedgwood, der Erfinder der modernen Töpferei, von Haus selbst ein gewöhnlicher Arbeiter, erklärte 1785 vor dem Hause der Gemeinen, daß die ganze Manufaktur 15000 bis 20000 Personen beschäftige.¹⁰⁷ Im Jahr 1861 betrug die Bevölkerung allein der städtischen Sitze dieser Industrie in Großbritannien 101302.

„Die Baumwollindustrie zählt 90 Jahre ... In drei Generationen der englischen Race hat sie neun Generationen von Baumwollarbeitern verspeist.“¹⁰⁸

282:3 Allerdings, in einzelnen Epochen feierhaften Aufschwungs zeigte der Arbeitsmarkt bedenkliche Lücken. So z.B. 1834. Aber die Herren Fabrikanten schlügen nun den Poor Law Commissioners vor, die „Übervölkerung“ der Ackerbaudistrikte nach dem Norden zu schicken, mit der Er-

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the manufacturers would absorb and use it up.”¹⁰⁹

¹⁰⁹ Those were the very words used by the cotton manufacturers.” I.c.

Marx gives more quotes which are skipped here.

Although a part of the population is killed off by overwork, the labor market is generally still full. Only “in certain epochs of feverish activity the labor-market shows significant gaps” ^{378:2p}. Where does this supply of labor come from?

- Immigration
- Rapid reproduction of the weak generations
- “Surplus-population” from the agricultural districts, trade in workers from the rural North to Manchester etc.
- Child labor (workhouses of orphans, ^{379:1}).

The *general* reasons why there is always surplus-labor in capitalism are not discussed here, they will be developed in chapter Twenty-Five.

Very important general conclusions about the workings of capitalism can be drawn from this. Marx first points out two empirical facts, and then says that because of the first of these two facts capital disregards the second. Here is the first fact:

380:1–381:0 What experience shows to the capitalist generally is a constant excess of population, i.e., an excess in relation to the momentary requirements of surplus-labor-absorbing capital, although this excess is made up of generations of human beings stunted, short-lived, swiftly replacing each other, plucked, so to say, before maturity.¹¹¹

¹¹¹ The over-worked “die off with strange rapidity; but the places of those who perish are instantly filled, and a frequent change of persons makes no alteration in the scene.” (“England and America,” London, 1833, vol. I, p. 55. By E. G. Wakefield.)

On the market there is a surplus-population in relation to the needs of capital to create surplus-value. It is again not discussed whether this surplus-population is an accident or why it is there. Now the second fact:

And, indeed, experience shows to the intelligent observer with what swiftness and grip the capitalist mode of production, dating, historically speaking, only from yesterday, has seized the vital power of the people by the very root—shows how the degeneration

klärung, daß „die Fabrikanten sie absorbierten und konsumieren würden“. Dies waren ihre eigensten Worte.¹⁰⁹

¹⁰⁹ „That the manufacturers would absorb it and use it up. Those were the very words used by the cotton manufacturers.“ (I.c.)

284:00 Was die Erfahrung dem Kapitalisten im allgemeinen zeigt, ist eine beständige Übervölkerung, d.h. Übervölkerung im Verhältnis zum augenblicklichen Verwertungsbedürfnis des Kapitals, obgleich sie aus verkümmerten, schnell hinlebenden, sich rasch verdrängenden, sozusagen unreif gepflückten Menschengenerationen ihren Strom bildet.¹¹¹

¹¹¹ „Die Überarbeiteten sterben mit befreudlicher Raschheit; aber die Plätze derer, die untergehn, sind sofort wieder ausgefüllt, und ein häufiger Wechsel der Personen bringt keine Änderung auf der Bühne hervor.“ „England and America“, London 1833, t. I, p. 55. (Verfasser E. G. Wakefield.)

Allerdings zeigt die Erfahrung dem verständigen Beobachter auf der andren Seite, wie rasch und tief die kapitalistische Produktion, die, geschichtlich gesprochen, kaum von gestern datiert, die Volkskraft an der Lebenswurzel ergriffen hat, wie die Degenera-

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of the industrial population is only retarded by the constant absorption of primitive and physically uncorrupted elements from the country—shows how even the country laborers, in spite of fresh air and the principle of natural selection, that works so powerfully amongst them, and only permits the survival of the strongest, are already beginning to die off.¹¹²

¹¹² See “Public Health. Sixth Report of the Medical Officer of the Privy Council, 1863.” Published in London 1864. This report deals especially with the agricultural laborers. “Sutherland . . . is commonly represented as a highly improved county . . . but . . . recent inquiry has discovered that even there, in districts once famous for fine men and gallant soldiers, the inhabitants have degenerated into a meagre and stunted race. In the healthiest situations, on hill sides fronting the sea, the faces of their famished children are as pale as they could be in the foul atmosphere of a London alley.” (W. Th. Thornton. “Overpopulation and its Remedy.” I.c., pp. 74, 75.) They resemble in fact the 30,000 “gallant Highlanders” whom Glasgow herds together with prostitutes and thieves in its wynds and closes.

Any “intelligent” (“verständige,” Hegel’s Verstand i.e., analytical reason, not Vernunft!) observer can see the degeneration of the industrial population. Capital, however, theoretically denies it:

Capital, that has such “good reasons” for denying the sufferings of the legions of workers that surround it, . . .

Hegel says that any halfways intelligent person can come up with “good reasons” to excuse anything (citation in footnote 102 to paragraph 372:2–374:0p above). But the phrase “good reasons” also refers to capital’s profit motive. Capital is not moved by these sufferings because due to the surplus-labor they are not translated into higher wages and lower profits. . . . is in practice moved as much and as little by the sight of the coming degradation and final depopulation of the human race, as by the probable fall of the earth into the sun.

tion der industriellen Bevölkerung nur durch beständige Absorption naturwüchsiger Lebenselemente vom Lande verlangsamt wird und wie selbst die ländlichen Arbeiter, trotz freier Luft und des unter ihnen so allmächtig waltenden principle of natural selection, das nur die kräftigsten Individuen aufkommen lässt, schon abzuleben beginnen.¹¹²

¹¹² Siehe Public Health. Sixth Report of the Medical Officer of the Privy Council. 1863. Veröffentlicht London 1864. Dieser Report handelt namentlich von den Agrikulturarbeitern. „Man hat die Grafschaft Sutherland als eine sehr verbesserte Grafschaft dargestellt, aber eine neuerliche Untersuchung hat entdeckt, daß hier in Districhen, einst so berühmt wegen schöner Männer und tapfrer Soldaten, die Einwohner degeneriert sind zu einer magren und verkümmerten Race. In den gesundesten Lagen, auf Hügelabhängen im Angesicht des Meeres, sind die Gesichter ihrer Kinder so dünn und blaß, wie sie nur in der faulen Atmosphäre einer Londoner Winkelgasse sein können.“ (Thornton, I.c. p. 74, 75.) Sie gleichen in der Tat den 30000 „gallant Highlanders“, die Glasgow in seinen wynds und closes mit Prostituierten und Dieben zusammenbettet.

Das Kapital, das so „gute Gründe“ hat, die Leiden der es umgebenden Arbeitergeneration zu leugnen, . . .

... wird in seiner praktischen Bewegung durch die Aussicht auf zukünftige Verfaulung der Menschheit und schließlich doch unaufhaltsame Entvölkern so wenig und so viel bestimmt als durch den möglichen Fall der Erde in die Sonne.

Question 671 (Tue Nov 2–Thu Nov 4) Why is nobody in his right mind determined in his actions by the eventual fall of the earth into the sun? [2009fa](#).

In every stock-jobbing swindle everyone knows that some time or other the crash

In jeder Aktienchwandelei weiß jeder, daß das Unwetter einmal einschlagen muß, aber

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must come, but everyone hopes that it may fall on the head of his neighbor, after he himself has caught the shower of gold and placed it in secure hands. *After me the deluge* is the watchword of every capitalist and of every capitalist nation.

Capital's only standard is profitability. This is why it must be forced *by law* to heed the bounds of the working-day:

Capital therefore takes no account of the health and the length of life of the worker, unless society forces it to do so.¹¹³

Note that it is “society,” not “the working-class,” or “the state” which forces capital! Society, however, is an empty abstraction if one does not look at its two main classes. It is therefore not society acting in unison, but it is the struggle of the working class against the capitalists which imposes on the capitalist class the self-discipline needed for their long-term interests.

¹¹³ ‘But though the health of a population is so important a fact of the national capital, we are afraid it must be said that the class of employers of labor have not been the most forward to guard and cherish this treasure ... The consideration of the health of the operatives was forced upon the mill owners’ (*The Times*, 5 November 1861). ‘The men of the West Riding became the clothiers of mankind ... the health of the workpeople was sacrificed, and the race in a few generations must have degenerated. But a reaction set in. Lord Shaftesbury’s Bill limited the hours of children’s labor, etc.’ (Twenty-Second Annual Report of the Registrar-General, for October 1861).

To the outcry about physical and mental degradation, the premature death, the torture of overwork, it answers: Ought these to trouble us since they increase our profits?

Note that the profits are increased although we got before the result that if the full value of the labor-power would have been paid, the rate of surplus-value would have fallen. Either economy of constant capital or payment below the value of labor-power (surplus-population) or both.

But looking at things as a whole, all this does not, indeed, depend on the good or ill will of the individual capitalist. Free competition enforces the inherent laws of capitalist production as external coercive necessities confronting the individual capitalist.¹¹⁴

jeder hofft, daß es das Haupt seines Nächsten trifft, nachdem er selbst den Goldregen aufgefangen und in Sicherheit gebracht hat. *Après moi le déluge!* ist der Wahlruf jedes Kapitalisten und jeder Kapitalistennation.

Capital is therefore rücksichtslos against health and life expectancy of the worker, where it is not forced by society to do so.¹¹³

Das Kapital ist daher rücksichtslos gegen Gesundheit und Lebensdauer des Arbeiters, wo es nicht durch die Gesellschaft zur Rücksicht gezwungen wird.¹¹³

¹¹³ „Obgleich die Gesundheit der Bevölkerung ein so wichtiges Element des nationalen Kapitals ist, fürchten wir, gestehn zu müssen, daß die Kapitalisten durchaus nicht bei der Hand sind, diesen Schatz zu erhalten und wert zu achten ... Die Rücksicht auf die Gesundheit der Arbeiter wurde den Fabrikanten aufgezwungen.“ („Times“, 5. Novbr. 1861.) „Die Männer des West Riding wurden die Tuchmacher der Menschheit ... die Gesundheit des Arbeitervolks wurde geopfert, und in ein paar Generationen wäre die Race degeneriert, aber eine Reaktion trat ein. Die Stunden der Kinderarbeit wurden beschränkt usw.“ („Twenty-second annual Report of the Registrar General“, 1861.)

The complaint about physical and mental suffering, early death, torture of overwork, answers: Should these trouble us since they increase our profits?

In large and general terms, this depends on the good or bad will of the individual capitalist. Free competition enforces the inherent laws of capitalist production as external coercive necessities confronting the individual capitalist.¹¹⁴

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Footnote 114 throws light on the workings of competition: it can go against the will of the capitalists, can force them to do things which they do not want to do.

¹¹⁴ We, therefore, find, e.g., that in the beginning of 1863, 26 firms owning extensive potteries in Staffordshire, including Josiah Wedgwood and Sons, petition in a memorial for "some legislative enactment." "Competition with other capitalists" permits them no "voluntary" limitation of working time for children, etc. "Much as we deplore the evils before mentioned, it would not be possible to prevent them by any scheme of agreement between the manufacturers ... Taking all these points into consideration, we have come to the conviction that some legislative enactment is wanted." ("Children's Employment Comm." Rep. I, 1863, p. 322.)

^{114 ctd} Most recently a much more striking example offers. The rise in the price of cotton during a period of feverish activity, had induced the manufacturers in Blackburn to shorten, by mutual consent, the working time in their mills during a certain fixed period. This period terminated about the end of November, 1871. Meanwhile, the wealthier manufacturers, who combined spinning with weaving, used the diminution of production resulting from this agreement, to extend their own business and thus to make great profits at the expense of the small employers. The latter thereupon turned in their extremity to the operatives, urged them earnestly to agitate for the 9 hours' system, and promised contributions in money to this end.

¹¹⁴ Wir finden daher z.B., daß Anfang 1863 26 Firmen, welche ausgedehnte Töpfereien in Staffordshire besitzen, darunter auch J. Wedgwood und Söhne, in einer Dankschrift „um gewaltsame Einmischung des Staats“ petitionieren. Die „Konkurrenz mit andren Kapitalisten“ erlaube ihnen keine „freiwillige“ Beschränkung der Arbeitszeit der Kinder usw. „Sosehr wir daher die oben erwähnten Übel beklagen, würde es unmöglich sein, sie durch irgendeine Art Übereinkunft unter den Fabrikanten zu verhindern ... In Anbetracht aller dieser Punkte, sind wir zur Überzeugung gelangt, daß ein Zwangsgesetz nötig ist.“ („Children's Emp. Comm., Rep. 1“, 1863, p. 322.)

^{114 ctd} Zusatz zu Note 114. Ein viel frappanteres Beispiel bot die jüngste Vergangenheit. Die Höhe der Baumwollpreise, in einer Epoche fieberhaften Geschäfts, hatte die Besitzer von Baumwollwebereien in Blackburn veranlaßt, durch gemeinschaftliche Übereinkunft die Arbeitszeit in ihren Fabriken während eines bestimmten Termins abzukürzen. Dieser Termin lief ab ungefähr Ende November (1871). Unterdes benutzten die reicheren Fabrikanten, welche Spinnerei mit Weberei verbinden, den durch jene Übereinkunft veranlaßten Ausfall der Produktion dazu, ihr eigenes Geschäft auszudehnen und so auf Kosten der kleinen Meister große Profite zu machen. Letztre wandten sich nun in ihrer Not—an die Fabrikarbeiter, riefen sie auf, die Neunstundenagitation ernsthaft zu betreiben, und versprachen Geldbeiträge zu diesem Behuf!

Question 674 (Tue Nov 2–Thu Nov 4) *Why were some capitalists themselves in favor of shortening the work day?*

The remainder of section 5 and the remainder of chapter Ten are not yet ready for publication.

12. The Concept of Relative Surplus-Value

12.1. [Introduction of Relative Surplus-Value]

As in chapter Ten, 340:2/o, Marx represents the working day as a two-part interval $a-b-c$, where $a-b$ is necessary labor and $b-c$ surplus labor:

429:1 That portion of the working day which produces a mere equivalent for the value of the labor-power paid by the capitalist has so far been treated as a constant magnitude. Under given conditions of production at a given stage in the economic development of society, it is indeed constant. Beyond this necessary labor-time, the worker continued to work for 2, 3, 4, 6, etc. hours. The rate of surplus-value and the length of the working day depended on the length of this extension. Although the necessary labor-time was constant, the total working day was variable.

↑ Until now, the assumptions were: necessary labor constant, total day variable. This variability was the subject of chapter Ten, see 341:1. ↓ Now Marx adds the assumption that the total day is constant. Marx also maintains, for now, the assumption that the necessary labor is fixed.

Now suppose a working day with a given length and division between necessary labor and surplus labor. Let the whole line AC , $A-B-C$, represent, for example, a working day of 12 hours; the section AB 10 hours of necessary labor, and the section BC 2 hours of surplus labor.

This is not just a hypothetical question, but it was the situation after passage of the Ten Hour Bills. The fixation of the work day to ten hours did not mean the end of capitalism. As before, capitalists were cutting costs and/or increasing output in order to increase their profits. And they still seemed to succeed. But how were they doing it now? According to the labor theory of value, profits can rise only if the unpaid labor of the laborers rises. The question before us is therefore:

How can the production of surplus-value be increased, i.e. how can surplus labor be prolonged, without any prolongation, or inde-

331:1 Der Teil des Arbeitstags, der bloß ein Äquivalent für den vom Kapital gezahlten Wert der Arbeitskraft produziert, galt uns bisher als konstante Größe, was er in der Tat ist unter gegebenen Produktionsbedingungen, auf einer vorhandnen ökonomischen Entwicklungsstufe der Gesellschaft. Über diese seine notwendige Arbeitszeit hinaus konnte der Arbeiter 2, 3, 4, 6 usw. Stunden arbeiten. Von der Größe dieser Verlängerung hingen Rate des Mehrwerts und Größe des Arbeitstags ab. War die notwendige Arbeitszeit konstant, so dagegen der Gesamtarbeitstag variabel.

Unterstelle jetzt einen Arbeitstag, dessen Größe und dessen Teilung in notwendige Arbeit und Mehrarbeit gegeben sind. Die Linie ac , $a-b-c$, stelle z.B. einen zwölfstündigen Arbeitstag vor, das Stück ab 10 Stunden notwendige Arbeit, das Stück bc 2 Stunden Mehrarbeit.

Wie kann nun die Produktion von Mehrwert vergrößert, d.h. die Mehrarbeit verlängert werden, ohne jede weitere Verlängerung oder

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pendently of any prolongation, of the line AC ?

As in other situations in *Capital*, Marx has set up the question in such a way that a simple solution suggests itself: the capitalists have to push b to the left. This is the only possibility.

429:2/o Although the boundaries of the working day, A and C , are given, it would seem possible to lengthen the line BC (other than by extending it beyond its end point C , which is also the end of the working day AC) by pushing back its starting point B in the direction of A .

unabhängig von jeder weiteren Verlängerung von ac ?

331:2/o Trotz gegebner Grenzen des Arbeitstags ac scheint bc verlängerbar, wenn nicht durch Ausdehnung über seinen Endpunkt c , der zugleich der Endpunkt des Arbeitstags ac ist, so durch Verschiebung seines Anfangspunkts b in entgegengesetzter Richtung nach a hin.

Question 677 (Fri Nov 5–Mon Nov 8) According to Marx, the only way to increase profits is to shorten the portion of the day during which the workers produce an equivalent of their wage, and to extend that portion of the day when they create unreimbursed new value for the capitalist. Are the capitalists aware of it that all their cost cutting measures, if successful, go at the expense of their workers? 2009fa, 2008fa, 2008SP, 2007fa, 2007SP, 2005fa, 2004fa, 2003fa, 2002fa.

But this solution is derived from the geometry of our little interval, which is a model of the working day but not the working day itself. Can this solution be implemented in the economy of which the interval is an image? In order to make the transition from the geometric model to the economy itself, Marx constructs a concrete example in which all numbers are known:

Assume that $B'B$ in the line $A——B'-B-C$ is equal to half of BC , or to 1 hour's labor-time. If now, in the 12-hour working day AC , point B is moved to B' , then BC becomes $B'C$, the surplus labor increases by one half, from 2 hours to 3 hours, although the working day remains 12 hours as before.

Nimm an, $b'b$ in $a——b'-b-c$ sei gleich der Hälfte von bc oder gleich einer Arbeitsstunde. Wird nun in dem zwölfstündigen Arbeitstag ac der Punkt b nach b' verrückt, so dehnt sich bc aus zu $b'c$, die Mehrarbeit wächst um die Hälfte, von 2 auf 3 Stunden, obgleich der Arbeitstag nach wie vor nur 12 Stunden zählt.

↑ Marx is proceeding here at a snail's pace. As expected, the shift from B to B' increases surplus-value. This is consistent with our experience of capitalism still thriving after the passage of the ten-hour laws. ↓ But what are the implications of this shift for the necessary labor?

This extension of the surplus labor-time from BC to $B'C$, from 2 hours to 3 hours, is however evidently impossible without a simultaneous contraction of the necessary labor-time from AB to AB' , from 10 hours to 9 hours. The prolongation of surplus labor would be accompanied by an equal shortening of necessary labor. A portion of the labor-time previously consumed, in effect, for the worker's own benefit, would be converted into labor-time expended for the capitalist. It would not be the length of the

Diese Ausdehnung der Mehrarbeit von bc auf $b'c$, von 2 auf 3 Stunden, ist aber offenbar unmöglich ohne gleichzeitige Zusammenziehung der notwendigen Arbeit von ab auf ab' , von 10 auf 9 Stunden. Der Verlängerung der Mehrarbeit entspräche die Verkürzung der notwendigen Arbeit, oder ein Teil der Arbeitszeit, die der Arbeiter bisher in der Tat für sich selbst verbraucht, verwandelt sich in Arbeitszeit für den Kapitalisten. Was verändert, wäre nicht die Länge des Arbeitstags, sondern seine Teilung in

working day that changes, but its division into necessary labor-time and surplus labor-time.

Fowkes (Moore-Aveling): "The prolongation of (the) surplus labor would correspond to a shortening of (the) necessary labor." But

Marx has it exactly the other way round: "To the prolongation of surplus labor would correspond a shortening of necessary labor." In

notwendige Arbeit und Mehrarbeit.

the translation used here, "the prolongation of surplus labor would be accompanied by an equal shortening of necessary labor."

↑ Surplus-value can only increase if necessary labor becomes shorter. ↓ But this does not seem possible! If the length of the working-day is given, and the value of labor-power is given, then surplus-value is given and cannot be reduced.

In the translation of Marx's numerical examples that follow, the English currency used by Marx is converted into a decimal currency (dollars), so that it is easier for the reader to follow the math.

430:1/o On the other hand, the magnitude of surplus labor is evidently given when the length of the working day and the value of labor-power are given. The value of labor-power, i.e. the labor-time necessary to produce labor-power, determines the labor-time necessary for the reproduction of the value of labor-power. If 1 hour of work is represented in 12 cents, and the value of a day's labor-power is \$1.20, the worker must work 10 hours every day in order to replace the value paid by capital for his labor-power, or to produce an equivalent for the value of the means of subsistence he needs to consume every day. Given the value of these means of subsistence, the value of his labor-power can be calculated;¹ and given the value of his labor-power, the length of his necessary labor-time can be calculated. The duration of the surplus labor, however, is arrived at by subtracting the necessary labor-time from the total working day: 10 from 12 leaves 2, and it is not evident how, under the given conditions, the surplus labor could possibly be prolonged beyond 2 hours.

↓ Footnote 1 stresses through the voices of many economists that the value of labor-power is given, which contradicts our implication of a shorter necessary labor.

¹ The value of his average daily wages is determined by what the worker needs 'so as to live, labor, and generate' [Pet91, p. 64]. 'The price of labor is always constituted of the price of necessities ... Whenever ... the laboring man's wages

332:1/o Andererseits ist die Größe der Mehrarbeit offenbar selbst gegeben mit gegebner Größe des Arbeitstags und gegebenem Wert der Arbeitskraft. Der Wert der Arbeitskraft, d.h. die zu ihrer Produktion erheischte Arbeitszeit, bestimmt die zur Reproduktion ihres Werts notwendige Arbeitszeit. Stellt sich eine Arbeitsstunde in einem Goldquantum von einem halben Shilling oder 6 d. dar, und beträgt der Tageswert der Arbeitskraft 5 sh., so muß der Arbeiter täglich 10 Stunden arbeiten, um den ihm vom Kapital gezahlten Tageswert seiner Arbeitskraft zu ersetzen oder ein Äquivalent für den Wert seiner notwendigen täglichen Lebensmittel zu produzieren. Mit dem Wert dieser Lebensmittel ist der Wert seiner Arbeitskraft,¹ mit dem Wert seiner Arbeitskraft ist die Größe seiner notwendigen Arbeitszeit gegeben. Die Größe der Mehrarbeit aber wird erhalten durch Subtraktion der notwendigen Arbeitszeit vom Gesamtarbeitstag. Zehn Stunden subtrahiert von zwölf lassen zwei, und es ist nicht abzusehn, wie die Mehrarbeit unter den gegebenen Bedingungen über zwei Stunden hinaus verlängert werden kann.

¹ „Der Wert des täglichen Durchschnittslohns ist bestimmt durch das, was der Arbeiter braucht, um zu leben, zu arbeiten und sich fortzupflanzen“. [Pet91, p. 64] „Der Preis der Arbeit wird immer vom Preis der notwendigen Lebensmittel

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will not, suitably to his low rank and station, as a laboring man, support such a family as is often the lot of many of them to have', he is not receiving the proper wages [Van34, p. 15]. 'The simple worker, who possesses nothing but his arms and his industriousness, has nothing unless he manages to sell his labor to others ... In every kind of labor, it must happen, and it does in fact happen, that the wage of the worker is limited to what he needs to secure his own subsistence' (Turgot, *Reflexions*, etc., in *Oeuvres*, ed. Daire, Vol. I, p. 10). 'The price of the necessities of life is, in fact, the cost of producing labor' [Mal15, p. 48, Note]

bestimmt.“ Der Arbeiter erhält nicht den entsprechenden Lohn, „wann immer ... der Lohn des Arbeiters nicht hinreicht eine so große Familie, wie sie das Los vieler von ihnen ist, entsprechend seinem niedrigen Stand und als Arbeiter zu ernähren.“ [Van34, p. 15] „Der einfache Arbeiter, der nichts als seine Arme und seinen Fleiß besitzt, hat nichts, außer wenn es ihm gelingt, seine Arbeit an andre zu verkaufen ... Bei jeder Art Arbeit muß es dahin kommen, und kommt es in der Tat dahin, daß der Lohn des Arbeiters auf das begrenzt ist, was er notwendig zu seinem Lebensunterhalt braucht.“ (Turgot, „*Reflexions* etc.“, „*Oeuvres*“, éd. Daire, t. I, p. 10.) „Der Preis der Subsistenzmittel ist in der Tat gleich den Kosten der Produktion der Arbeit.“ [Mal15, p. 48, Note]

Question 679 (*Fri Nov 5–Mon Nov 8*) Turgot wrote: “In every kind of labor, it must happen, and it does in fact happen, that the wage of the worker is limited to what he needs to secure his own subsistence.” Why is this so? Is this still valid today? [2009fa](#), [2008fa](#), [2007fa](#), [2007SP](#).

We are at an impasse. The capitalist wants to change the division of the working-day into necessary and surplus-labor in his favor. Not only is it his motivation, he seems to be successful at it. Capitalism is thriving, profits are growing, despite the limits on the working-day. But from the argument given it seems that the laws of economics do not permit this.

As in the other impasse situations, the resolution consists in opening up the inquiry, by bringing in things which were until now not considered. But this time, the resolution will not be given in one step but in two steps. First, Marx asks: can these continued profits be explained by the capitalists violating the law of value?

Of course, the capitalist could, instead of \$1.20, pay the worker \$1.08 or even less. 9 hours' labor-time would be sufficient to reproduce this value of \$1.08; and consequently 3 hours of surplus labor, instead of 2, would accrue to the capitalist. The surplus-value would rise from 24 cents to 36 cents. This result, however, could be attained only by depressing the wage of the worker below the value of his labor-power. With the \$1.08, which he produces in 9 hours, he commands one-tenth less of the means of subsistence than before, and consequently the reproduction of his labor-power can take place only in a stunted way. The surplus labor would in this case be prolonged only by transgressing its normal limits; its domain would be extended only by a

Allerdings mag der Kapitalist statt 5 sh. dem Arbeiter nur 4 sh. 6 d. oder noch weniger zahlen. Zur Reproduktion dieses Werts von 4 sh. 6 d. würden 9 Arbeitsstunden genügen, von dem zwölfstündigen Arbeitstag daher 3 statt 2 Stunden der Mehrarbeit anheimfallen und der Mehrwert selbst von 1 sh. auf 1 sh. 6 d. steigen. Dies Resultat wäre jedoch nur erzielt durch Herabdrückung des Lohns des Arbeiters unter den Wert seiner Arbeitskraft. Mit den 4 sh. 6 d., die er in 9 Stunden produziert, verfügt er über 1/10 weniger Lebensmittel als vorher, und so findet nur eine verkümmerte Reproduktion seiner Arbeitskraft statt. Die Mehrarbeit würde hier nur verlängert durch Überschreitung ihrer normalen Grenzen, ihre Domäne nur ausgedehnt durch usuratorischen Abbruch von

usurpation of part of the domain of necessary labor-time.

↑ Marx does *not* say here that it is impossible to shorten the necessary labor by lengthening the surplus labor. It *is* possible and happens often. ↓ Nevertheless Marx will not discuss it here.

Despite the important part which this method plays in practice, we are barred from considering it here by our assumption, that all commodities, including labor-power, are bought and sold at their full values.

der Domäne der notwendigen Arbeitszeit.

Trotz der wichtigen Rolle, welche diese Methode in der wirklichen Bewegung des Arbeitslohnes spielt, ist sie hier ausgeschlossen durch die Voraussetzung, daß die Waren, also auch die Arbeitskraft, zu ihrem vollen Wert gekauft und verkauft werden.

Question 680 (*Fri Nov 5–Mon Nov 8*) Marx clearly excludes, in 430:1/o, the discussion of situations where wages fall below the value of labor-power. Does he also exclude the discussion of situations where wages rise above the value of labor-power? (Compare 655:2 and 747:2–750:0.)

There are good reasons for the assumption that labor-power is paid its full price. A deviation from this can only allow a short-term boost in profits which will however create problems for the capitalist system later on, since it undermines the development of the working-class. But capitalism is genuinely thriving in the long run, therefore deviations of the price of labor-power from its value cannot be the explanation. Therefore only one possible explanation remains:

Once we assume this, the labor-time necessary for the production of labor-power, or for the reproduction of its value, cannot be lessened by a fall in the worker's wages below the value of his labor-power, but only by a fall in this value itself.

Dies einmal unterstellt, kann die zur Produktion der Arbeitskraft oder zur Reproduktion ihres Werts notwendige Arbeitszeit nicht abnehmen, weil der Lohn des Arbeiters unter den Wert seiner Arbeitskraft, sondern nur wenn dieser Wert selbst sinkt.

↑ A solution just fell into our laps; where did it come from? ↓ To explain this, Marx remarks that the transition just made is a reversal of cause and effect. For a dialectician like Marx this means: this is the negation of a negation.

With the length of the working day as a given, the prolongation of the surplus labor must originate in the shortening of the necessary labor-time, instead of the latter arising from the former.

Bei gegebner Länge des Arbeitstags muß die Verlängerung der Mehrarbeit aus der Verkürzung der notwendigen Arbeitszeit entspringen, nicht umgekehrt die Verkürzung der notwendigen Arbeitszeit aus der Verlängerung der Mehrarbeit.

Fowkes Translation: "Given the length of the working-day, the prolongation of the surplus labor must of necessity originate in the curtailment of the necessary labor-time; the latter cannot arise from the former." The translator seems to have forgotten the context in which Marx makes this statement. There is nothing in the

German of which "of necessity" is the translation. Furthermore, since the verb in the first half of the sentence is "must," I am assuming the implied verb in the second half of the sentences is "must not" (instead of "cannot"), meaning: it is possible but our assumptions prohibit consideration of this case. I wrote "with the length of the

working day as a given" instead of "if the length of the working day is given," because I wanted to indicate that this is an assumption which has always been in the background, and which must therefore be added to the assumption of prices equal values, instead of taking its place.

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↑ If the capitalist depresses the price of labor-power below its value in order to increase surplus-value, then the necessary labor decreases because the surplus labor increases. On the other hand, if the value of labor-power falls, then the surplus labor increases because the necessary labor decreases.

↓ In terms of the numerical example from 429:2/o, the second option would look as follows:

In our example, the value of labor-power must go through a decline of one-tenth, in order to shorten the necessary labor-time by one-tenth, i.e. from 10 hours to 9, and therefore to lengthen the surplus labor from 2 hours to 3.

The “wirklich” represents a real process brought about by the cumulative effect of productivity

changes (instead of just the wishful thinking of the capitalist, or his ability to cut wages because

In unsrem Beispiel muß der Wert der Arbeitskraft wirklich um 1/10 sinken, damit die notwendige Arbeitszeit um 1/10 abnehme, von 10 auf 9 Stunden, und daher die Mehrarbeit sich von 2 auf 3 Stunden verlängere.

of superior market power). I tried to render this in the translation by saying: must go through a decline.

↓ Now the second step in the way out of the above impasse: in order for this to be possible, an additional new point has to be brought in, namely, changes in productivity:

431:1/o A fall of this kind in the value of labor-power implies, however, that the same means of subsistence formerly produced in 10 hours can now be produced in 9 hours. But this is impossible without an increase in the productive power of labor.

An increase in productivity is therefore the solution of the dilemma. Note that Marx writes here: “the same means of subsistence,” i.e., he makes the assumption that real wages remain constant.

For example, suppose a cobbler, with a given set of tools, makes one pair of boots in one working day of 12 hours. If he is to make two pairs in the same time, the productive power of his labor must be double; and this cannot happen without an alteration in his tools and/or work method. Hence the conditions of production of his labor, i.e. his mode of production, hence the labor process itself, must be revolutionized. By an increase in the productive power of labor, we mean an alteration in the labor process of such a kind as to shorten the labor-time socially required for the production of a commodity, therefore to endow a given quantity of labor with the power of producing a greater quantity of use-value.²

333:1/o Eine solche Senkung des Werts der Arbeitskraft um 1/10 bedingt aber ihrerseits, daß dieselbe Masse Lebensmittel, die früher in 10, jetzt in 9 Stunden produziert wird. Dies ist jedoch unmöglich ohne eine Erhöhung der Produktivkraft der Arbeit.

Mit gegebenen Mitteln kann ein Schuster z.B. ein Paar Stiefel in einem Arbeitstag von 12 Stunden machen. Soll er in der selben Zeit zwei Paar Stiefel machen, so muß sich die Produktivkraft seiner Arbeit verdoppeln, und sie kann sich nicht verdoppeln ohne eine Änderung in seinen Arbeitsmitteln oder seiner Arbeitsmethode oder beiden zugleich. Es muß daher eine Revolution in den Produktionsbedingungen seiner Arbeit eintreten, d.h. in seiner Produktionsweise und daher im Arbeitsprozeß selbst. Unter Erhöhung der Produktivkraft der Arbeit verstehen wir hier überhaupt eine Veränderung im Arbeitsprozeß, wodurch die zur Produktion einer Ware gesellschaftlich erheischt Arbeitszeit verkürzt wird, ein kleineres Quantum Arbeit also die Kraft erwirbt, ein größeres Quantum Gebrauchswert zu produzieren.²

“Productive power” is a better translation of “Produktivkraft” than the usual “productive force.”

² ‘When the crafts assume a more perfect form, this means nothing other than the discovery of new ways of making a product with fewer people, or (which is the same thing) in a shorter time, than previously’ [Gal03, pp. 158–9] ‘Economies in the cost of production can only be economies in the quantity of labor employed in production’ (Sismondi, *Études*, Vol. I, p. 22).

Capitalism must therefore change its mode of production for this kind of exploitation to be possible.

For the production of surplus-value in the form considered until now, we have assumed that the mode of production was given and only the duration of the labor process was prolonged. But when surplus-value has to be produced by the conversion of necessary labor into surplus labor, it by no means suffices for capital to take over the labor process in its historically transmitted or given shape. The technical and social conditions of the labor process and consequently the mode of production itself must be revolutionized if the productivity of labor is to be increased, by this the value of labor-power to be lowered, and the portion of the working day necessary for the reproduction of that value to be shortened.

If capitalism revolutionizes its own presuppositions, this clinches its character as a self-acting force: it no longer depends on conditions provided to it from the outside. One can also consider this as a transition from quantity into quality: capital, which so far was only interested in a quantitative expansion of value, achieves this not merely by a quantitative extension of the working day, but by the qualitative revolutionizing of the production process.

432:1 I call that surplus-value which is produced by the lengthening of the working day, absolute surplus-value. In contrast to this, I call that surplus-value which arises from the shortening of the necessary labor time, and from the corresponding alteration in the respective lengths of the two components of the working day, relative surplus-value.

The introduction of this new kind of surplus-value is concluded by giving it a name, “relative” because it is an increase in the gap between capitalist and laborer. These are not so much two kinds of surplus-value as two mechanisms to gain surplus-value.

² „Wenn die Gewerbe sich vervollkommen, so bedeutet das nichts andres als die Entdeckung neuer Wege, auf denen ein Produkt mit weniger Menschen oder (was das selbe ist) in kürzerer Zeit als vorher verfertigt werden kann.“ [Gal03, pp. 158–9] „Die Ersparnis an den Kosten der Produktion kann nichts anderes sein als Ersparnis an der zur Produktion angewandten Arbeitsmenge.“ (Sismondi, „Études etc.“, t. I, p. 22.)

Während also bei der Produktion des Mehrwerts in der bisher betrachteten Form die Produktionsweise als gegeben unterstellt war, genügt es für die Produktion von Mehrwert durch Verwandlung notwendiger Arbeit in Mehrarbeit keineswegs, daß das Kapital sich des Arbeitsprozesses in seiner historisch überlieferten oder vorhandnen Gestalt bemächtigt und nur seine Dauer verlängert. Es muß die technischen und gesellschaftlichen Bedingungen des Arbeitsprozesses, also die Produktionsweise selbst umwälzen, um die Produktivkraft der Arbeit zu erhöhn, durch die Erhöhung der Produktivkraft der Arbeit den Wert der Arbeitskraft zu senken und so den zur Reproduktion dieses Werts notwendigen Teil des Arbeitstags zu verkürzen.

334:1 Durch Verlängerung des Arbeitstags produzierten Mehrwert nenne ich absoluten Mehrwert; den Mehrwert dagegen, der aus Verkürzung der notwendigen Arbeitszeit und entsprechender Veränderung im Größenverhältnis der beiden Bestandteile des Arbeitstags entspringt—relativen Mehrwert.

12. Concept of Relative Surplus-Value

Exam Question 683 *What is relative surplus-value? Which mechanisms, that were so far taken as given, affect the magnitude of relative surplus-value?* 2008fa, 2007SP, 2005fa, 2004fa, 2003fa, 2002fa, 2001fa, 1999SP, 1998WI, 1997ut, 1997sp, 1997WI, 1996ut, 1996sp, 1995ut, 1995WI.

This ends the first third of this chapter, and the chapter title “Concept of Relative Surplus-Value” apparently refers only to this first third of the chapter.

12.2. [From Productivity to Relative Surplus-Value]

We have seen that under the given conditions (constant working day and all commodities are sold at their values), the only possibility for the capitalists to increase surplus-value is a rise in the productivity of the production of the workers' means of consumption. Next Marx verifies whether such a rise, if it occurs, indeed has this effect. Marx conducts this investigation in form of a dialog: he introduces doubts why surplus-value may not rise noticeably and then answers these doubts.

432:2 In order to lower the value of labor-power, the rise in the productivity of labor must seize upon those branches of industry whose products determine the value of labor-power, and consequently either belong to the category of normal means of subsistence, or are capable of replacing them.

↑ We just read the first doubt: it looks as if only few branches of industry can affect the value of labor-power through increasing productivity. ↓ Reply:

But the value of a commodity is determined not only by the quantity of labor which gives it its final form, but also by the quantity of labor contained in the instruments by which it has been produced. For instance, the value of a pair of boots depends not only on the labor of the cobbler, but also on the value of the leather, wax, thread, etc. Hence a fall in the value of labor-power is also brought about by an increase in the productivity of labor, and by a corresponding cheapening of commodities, in those industries which supply the instruments of labor and the material for labor, i.e. the physical elements of constant capital which are required for producing the means of subsistence.

↑ This increases the scope drastically, ↓ but there are still some branches left which are not affected.

But an increase in the productivity of labor in those branches of industry which supply neither the necessary means of subsistence nor the means by which they are produced leaves the value of labor-power undisturbed.

334:2 Um den Wert der Arbeitskraft zu senken, muß die Steigerung der Produktivkraft Industriezweige ergreifen, deren Produkte den Wert der Arbeitskraft bestimmen, also entweder dem Umkreis der gewöhnheitsmäßigen Lebensmittel angehören oder sie ersetzen können.

Der Wert einer Ware ist aber nicht nur bestimmt durch das Quantum der Arbeit, welche ihr die letzte Form gibt, sondern ebenso-wohl durch die in ihren Produktionsmitteln enthaltne Arbeitsmasse. Z.B. der Wert eines Stiefels nicht nur durch die Schusterarbeit, sondern auch durch den Wert von Leder, Pech, Draht usw. Steigerung der Produktivkraft und entsprechende Verwölfelierung der Waren in den Industrien, welche die stofflichen Elemente des konstanten Kapitals, die Arbeitsmittel und das Arbeitsmaterial, zur Erzeugung der notwendigen Lebensmittel liefern, senken also ebenfalls den Wert der Arbeitskraft.

In Produktionszweigen dagegen, die weder notwendige Lebensmittel liefern noch Produktionsmittel zu ihrer Herstellung, läßt die erhöhte Produktivkraft den Wert der Arbeitskraft unberührt.

↓ Marx's second doubt is: the cheapening of one single kind of use-value can only have a negligible impact on wages.

432:3/o The cheapening of the commodity, of course, causes only a corresponding fall in the value of labor-power, a fall proportional to the extent to which that commodity enters into the reproduction of labor-power. Shirts, for instance, are a necessary means of subsistence, but only one out of many. Their cheapening merely reduces the expenses of the worker for shirts.

334:3/o Die verwohlfeilerte Ware senkt natürlich den Wert da Arbeitskraft nur pro tanto, d.h. nur im Verhältnis, worin sie in die Reproduktion der Arbeitskraft eingeht. Hemden z.B. sind ein notwendiges Lebensmittel, aber nur eins von vielen. Ihre Verwohlfeilung vermindert bloß die Ausgabe des Arbeiters für Hemden.

This last sentence is missing in the Fowkes translation.

Again this doubt can be answered:

The total sum of the necessary means of subsistence, however, consists of various commodities, each the product of a distinct industry; and the value of each of those commodities enters as a component part into the value of labor-power. The latter value decreases with the decrease of the labor-time necessary for its reproduction. The total decrease of necessary labor-time is equal to the sum of all the different reductions in labor-time which have occurred in those various distinct branches of production.

Die Gesamtsumme der notwendigen Lebensmittel besteht jedoch nur aus verschiedenen Waren, lauter Produkten besonderer Industrien, und der Wert jeder solchen Ware bildet stets einen aliquoten Teil vom Wert der Arbeitskraft. Dieser Wert nimmt ab mit der zu seiner Reproduktion notwendigen Arbeitszeit, deren Gesamtverkürzung gleich der Summe ihrer Verkürzungen in allen jenen besondren Produktionszweigen ist.

The flow of the argument might have been a little smoother if Marx had reversed the order of these two objections as follows: First objection: the cheapening of a single article of consumption can only have a negligible effect. Answer: workers' consumption covers more than one article. This answer, then, leads to the next objection: even if one looks at all means of consumption together, only a small part of the economy is devoted to workers' means of consumption. This can again be refuted, but not entirely. Also those industries count which enter the workers' means of consumption indirectly, but there are indeed industries which enter workers' consumption neither directly nor indirectly.

Perhaps Marx brought his two objections in the "wrong" order because he wanted a smooth transition to the next issue: since this is an aggregate effect, negligible in the individual case, it cannot be the motivation of the individual capitalist. The rest of the paragraph discusses this important cleavage between surface and core.

We treat this general result here as if it were the immediate result and the immediate aim in each individual case.

Wir behandeln dies allgemeine Resultat hier so, als wäre es unmittelbares Resultat und unmittelbarer Zweck in jedem einzelnen Fall.

This sentence says three things:

- The reduction in the value of labor-power is a *general* result, i.e., it comes not from the cheapening of shirts, but from the cheapening of many means of subsistence.

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- It is not always the *immediate result* of each individual case. This means, even if shirts become cheaper, this does not always mean immediately that the value of labor-power declines.
- And it is not always the *immediate aim* of each individual case, i.e., the shirt manufacturer may have had quite different aims than lowering the value of labor-power.

This last point is elaborated in the next sentence, and a laconic answer is given: what matters is not the capitalists' intentions, but what matters is what they actually do:

When an individual capitalist cheapens shirts, for instance, by increasing the productivity of labor, he by no means necessarily aims to reduce the value of labor-power and in this way shorten the necessary labor-time. But he contributes towards increasing the general rate of surplus-value only in so far as his actions ultimately contribute to the reduction in the value of labor-power.³

Wenn ein einzelner Kapitalist durch Steigerung der Produktivkraft der Arbeit z.B. Hemden verwohlfeilert, schwebt ihm keineswegs notwendig der Zweck vor, den Wert der Arbeitskraft und daher die notwendige Arbeitszeit pro tanto zu senken, aber nur soweit er schließlich zu diesem Resultat beiträgt, trägt er bei zur Erhöhung der allgemeinen Rate des Mehrwerts.³

Capitalists invariably increase productivity, and they may have various motivations to do so: gain extra surplus-value if they are the first ones, keep up with the competitors if they are followers, get machines which controls their laborers better, or respond to labor struggles, etc. Whatever their motivation, the *effect* of their actions will only then be a durable increase in surplus-value if it leads to a cheapening of the workers' means of subsistence. Ramsay, in the footnote, stresses this:

³ 'Let us suppose ... the products ... of the manufacturer are doubled by improvement in machinery ... he will be able to clothe his workmen by means of a smaller proportion of the entire return ... and thus his profit will be raised. But in no other way will it (ultimately) be influenced'. [Ram36, pp. 168–9]

³ „Wenn der Fabrikant durch Verbesserung der Maschinerie seine Produkte verdoppelt ... gewinnt er (schließlich) bloß, sofern er dadurch befähigt wird, den Arbeiter wohlfeiler zu kleiden ... und so ein kleinerer Teil des Gesamtertrags auf den Arbeiter fällt.“ [Ram36, pp. 168–9]

At the present point, Marx does not elaborate how the actions which lead to a cheapening of the laborer's means of subsistence may be motivated. Instead, he gives a general methodological remark, which is one of the few comments about his methodology one can find in *Capital*.

The general and necessary tendencies of capital must be distinguished from their forms of appearance.

Die allgemeinen und notwendigen Tendenzen des Kapitals sind zu unterscheiden von ihren Erscheinungsformen.

Question 686 (*Fri Nov 5–Mon Nov 8*) What does Marx mean by the statement: “The general and necessary tendencies of capital must be distinguished from their forms of appearance”? Give examples of “general and necessary tendencies of capital” and of “forms of appearance” of such tendencies. [2009fa](#), [2005fa](#), [2004fa](#), [1999SP](#), [1998WI](#), [1996ut](#).

Term Paper Topic 687 (*Tue Nov 23–Mon Nov 29*) How do modern intellectual property rights fit together with Marx's theory of capitalism? [2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2002fa](#).

12.3. [Individual Motivation for Innovation]

The last remaining question is: if the capitalists' motivation for introduction of technical innovations in the production of the workers' means of consumption is not the relative surplus-value, what then is their motivation? To answer this, Marx has to go into the sphere of competition. He introduces this with a famous general passage about "competition." By the laws of "competition" Marx means the laws governing the surface interaction of individual capitals. Any activity by which an individual capitalist tries to best take advantage of market forces is an act of "competition." Superior competitive skills can increase profits for individual capitalist firms, but Marx is not interested at this point in the differences between individual firms. The more important effect of competition, i.e., of the efforts of all market participants to beat out their competitors, is that these competitive pressures force everyone to act in such a way that the laws of "capital in general" are implemented.

433:1 This is not the place to investigate how the immanent laws of capitalist production manifest themselves in the external movement of the individual capitals, assert themselves as the necessities of competition, and therefore enter into the consciousness of the capitalist as his or her driving motives.

In the German, "individual" is an attribute to "Kapitalisten"; in my

translation it is an attribute to "capitals." I don't think this

335:1 Die Art und Weise, wie die immanenten Gesetze der kapitalistischen Produktion in der äußern Bewegung der Kapitale erscheinen, sich als Zwangsgesetze der Konkurrenz geltend machen und daher als treibende Motive dem individuellen Kapitalisten zum Bewußtsein kommen, ist jetzt nicht zu betrachten, ...

changes the meaning but it makes the formulation clearer.

This is an interesting formulation: the competitive motivation of the capitalist is not really his own motivation, but this is how he experiences his subjugation to the laws of capital.

Marx's *Capital* is only one of several books about the political economy which Marx had planned to write. In one of his other books he wanted to discuss the "sphere of competition," but he never had time to write this book. Without going into this specialized study, Marx can only make very general remarks here about competition:

But this much is clear from the beginning: a scientific analysis of competition is possible only after the inner nature of capital has been understood, just as the apparent motions of the heavenly bodies can be understood only by someone who is acquainted with their real motions—which are not perceptible to the senses.

... aber soviel erhellt von vornherein: Wissenschaftliche Analyse der Konkurrenz ist nur möglich, sobald die innere Natur des Kapitals begriffen ist, ganz wie die scheinbare Bewegung der Himmelskörper nur dem verständlich, der ihre wirkliche, aber sinnlich nicht wahrnehmbare Bewegung kennt.

This is an argument against empiricism. We first must grasp the inner nature of capital before we can understand the surface phenomena generated by the competition of the economic agents. This is why the book *Capital* itself contains only occasional references to the sphere of competition, only when it is necessary for a better understanding of the laws of "capital in general." ↓ We are in such a situation right now.

Question 688 (Fri Nov 5–Mon Nov 8) Why can we gain a scientific understanding of "the sphere of competition" only after having grasped the inner nature of capital? [2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [1997sp](#), [1997WI](#), [1996sp](#).

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Nevertheless, for the understanding of the production of relative surplus-value, and only on the basis of the results already achieved, we may add the following.

Marx makes here a digression into the sphere of competition because he has not yet explained how individual capitalists are motivated to create relative surplus-value.

433:2/oo If 1 hour's labor is embodied in 12 cents, a value of \$1.44 will be produced in a working day of 12 hours. Suppose that with labor of the currently prevailing productive power, twelve articles are produced in these 12 hours. Let the value of the means of production used up in each article be 12 cents. Under these circumstances, each article costs 24 cents: 12 cents for the value of the means of production, and 12 cents for the value newly added in working with those means.

↑ Warning: the use of the word "costs" is misleading here. Marx is not adding the labor *costs* but the value created by that labor. This is the situation before the change in productivity. Now assume productivity changes:

Now let some one capitalist contrive to double the productivity of labor, and to produce twenty-four instead of twelve articles in the course of a working day of 12 hours. The value of the means of production remaining the same, the value of each article will fall to 18 cents, made up of 12 cents for the value of the means of production and 6 cents for the value newly added by the labor. Even though the productivity of labor has doubled, the day's labor creates no more new value than before, namely, \$1.44. However it is now spread over twice as many articles. Each article now has embodied in it 1/24th of the new value instead of 1/12th, 6 cents instead of 12 cents; or, what amounts to the same thing, only half an hour of labor-time, instead of a whole hour, is now added to the means of production when they are transformed into articles.

Dennoch ist zum Verständnis der Produktion des relativen Mehrwerts und bloß auf Grundlage der bereits gewonnenen Resultate folgendes zu bemerken.

335:2/o Stellt sich eine Arbeitsstunde in einem Geldquantum von 6 d. oder 1/2 sh. dar, so wird in zwölfstündigem Arbeitstag ein Wert von 6 sh. produziert. Gesetzt, mit der gegebenen Produktivkraft der Arbeit wurden 12 Stück Waren in diesen 12 Arbeitsstunden verfertigt. Der Wert der in jedem Stück vernutzten Produktionsmittel, Rohmaterial usw. sei 6 d. Unter diesen Umständen kostet die einzelne Ware 1 sh., nämlich 6 d. für den Wert der Produktionsmittel, 6 d. für den in ihrer Verarbeitung neu zugesetzten Wert.

Es gelinge nun einem Kapitalisten die Produktivkraft der Arbeit zu verdoppeln und daher 24 statt 12 Stück dieser Warenart in dem zwölfstündigen Arbeitstag zu produzieren. Bei unverändertem Wert der Produktionsmittel sinkt der Wert der einzelnen Ware jetzt auf 9 d., nämlich 6 d. für den Wert der Produktionsmittel, 3 d. für den durch die letzte Arbeit neu zugesetzten Wert. Trotz der verdoppelten Produktivkraft schafft der Arbeitstag nach wie vor nur einen Neuwert von 6 sh., welcher sich jedoch jetzt auf doppelt soviel Produkte verteilt. Auf jedes einzelne Produkt fällt daher nur noch 1/24 statt 1/12 dieses Gesamtwerts, 3 d. statt 6 d. oder, was dasselbe ist, den Produktionsmitteln wird bei ihrer Verwandlung in Produkt, jedes Stück berechnet, jetzt nur noch eine halbe statt wie früher eine ganze Arbeitsstunde zugesetzt.

Question 690 (*Fri Nov 5–Mon Nov 8*) *Do the workers after introduction of new machinery produce more value per hour?* [2009fa](#), [2008fa](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#), [1999SP](#), [1998WI](#), [1997ut](#), [1997sp](#), [1997WI](#), [1996ut](#), [1996sp](#), [1995WI](#).

↑ In this example there is a huge change in productivity, but the same amount of labor

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is performed as before, therefore the total new value produced in this production process does not increase. Since more pieces are produced, the value of every piece falls. This is a dilemma. The capitalist increases productivity because he wants to get more surplus-value, but all he managed to do is produce more products, more wealth. The *value* produced remains the same. ↓ Marx takes a closer look. By the assumption of this example, only one capitalist is producing more efficiently; all the others still use the old production method. In order to deal with this situation, Marx introduces the concept of the innovator's "individual value" of the commodity, which is a category from the "sphere of competition." The value calculation which Marx just made will eventually be relevant for all capitalists, when *all* producers have introduced the new production method; but right now it is only correct for the innovator's individual value:

The individual value of these articles is now below their social value; in other words, they have cost less labor-time than the great bulk of the same articles produced under the average social conditions. Each article costs, on an average, 24 cents, and represents 2 hours of social labor; but under the altered mode of production it costs only 18 cents, or contains only 1 1/2 hours' labor. The effective value of a commodity, however, is not its individual but its social value; i.e., its value is not measured by the labor-time that the article actually costs the producer in this individual case, but by the labor-time socially required for its production.

Der individuelle Wert dieser Ware steht nun unter ihrem gesellschaftlichen Wert, d.h., sie kostet weniger Arbeitszeit als der große Haufen derselben Artikel, produziert unter den gesellschaftlichen Durchschnittsbedingungen. Das Stück kostet im Durchschnitt 1 sh. oder stellt 2 Stunden gesellschaftlicher Arbeit dar; mit der veränderten Produktionsweise kostet es nur 9 d. oder enthält nur 1 1/2 Arbeitsstunden. Der wirkliche Wert einer Ware ist aber nicht ihr individueller, sondern ihr gesellschaftlicher Wert, d.h., er wird nicht durch die Arbeitszeit gemessen, die sie im einzelnen Fall dem Produzenten tatsächlich kostet, sondern durch die gesellschaftlich zu ihrer Produktion erheischte Arbeitszeit.

What are the implications of this gap between individual and social value for the price of the commodity? If we assume that this is just one producer among many, who does not have an influence on the market, then the price remains unchanged. This makes it necessary for Marx to introduce another new concept, that of extra surplus-value:

If, therefore, the capitalist who applies the new method sells his commodity at its social value of 24 cents, he sells it for 6 cents above its individual value, and thus he realizes an extra surplus-value of 6 cents.

Verkauft also der Kapitalist, der die neue Methode anwendet, seine Ware zu ihrem gesellschaftlichen Wert von 1 sh., so verkauft er sie 3 d. über ihrem individuellen Wert und realisiert so einen Extramehrwert von 3 d.

Can the capitalist therefore just keep his innovation secret, pretend that he is still using the same production methods as the others, and merrily rake in extra surplus-value? Well, there is one problem with this. He has now greater output and must see to it that this output is sold:

On the other hand, the working day of 12 hours is now represented, for him, by twenty-four articles instead of twelve. Hence, in order to sell the product of one working day, he needs double the demand than before, i.e. the market must become twice

Andrerseits stellt sich aber der zwölfstündige Arbeitstag jetzt für ihn in 24 Stück Ware dar statt früher in 12. Um also das Produkt eines Arbeitstags zu verkaufen, bedarf er doppelten Absatzes oder eines zweifach größeren Markts. Unter sonst gleichbleiben-

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as extensive. Other things being equal, the capitalist's commodities can only command a more extensive market if their prices are reduced. He will therefore sell them above their individual but below their social value, say at 20 cents each. By this means he still squeezes an extra surplus-value of 2 cents out of each.

Important: the innovator has to lower the price to get room in the market for his increased output. Despite this price cut, he still sells the products above their individual values and therefore still makes an extra surplus-value:

This increase of surplus-value for the capitalist takes place whether or not his commodities belong to the class of necessary means of subsistence, and therefore enter the determination of the general value of labor-power. Whether or not this latter condition is satisfied, therefore, the motive exists for every individual capitalist to cheapen his commodities by increasing the productivity of labor.

This answers the question why capitalists innovate. We see that everyone has the incentive to innovate in order to gain extra surplus-value, not only those capitalists whose products enter the value of labor-power. And everybody's extra surplus-value is only temporary, over time it will be competed away again. But for those who produce the workers' means of consumption, this extra surplus-value does not entirely disappear but is reborn as relative surplus-value.

This raises the question: what is the source of this extra surplus-value? Marx argues that extra surplus-value, just like relative surplus-value, comes from a shortening of the necessary labor. But in the case of extra surplus-value, the value produced per hour by the innovating firm rises above the value produced per hour by the other firms.

435:1/o Nevertheless, even in this case, the increased production of surplus-value arises from the shortening of the necessary labor-time and the corresponding prolongation of the surplus labor.^{3a}

Marx is about to give a somewhat long-winded argument to support this non-obvious point. But first he sticks footnote 3a in, in which Cazenove comes to the same conclusion as Marx, although he seems to employ a rather simple-minded argument. Marx's development in the main text will fill in the missing links, by which Cazenove's argument can be viewed as a short form of Marx's own argument.

^{3a} ‘A man's profit does not depend upon his command of the produce of other men's labor, but upon his command of labor itself. If he can sell his goods at a higher price, while his workmen's wages remain unaltered, he is clearly benefited ... A smaller proportion of what he produces is sufficient to put that labor into motion,

den Umständen erobern seine Waren nur größeren Marktraum durch Kontraktion ihrer Preise. Er wird sie daher über ihrem individuellen, aber unter ihrem gesellschaftlichen Wert verkaufen, sage zu 10 d. das Stück. So schlägt er an jedem einzelnen Stück immer noch einen Extramehrwert von 1 d. heraus.

Diese Steigerung des Mehrwerts findet für ihn statt, ob oder ob nicht seine Ware dem Umkreis der notwendigen Lebensmittel angehört und daher bestimmt in den allgemeinen Wert der Arbeitskraft eingeht. Vom letzten Umstand abgesehen, existiert also für jeden einzelnen Kapitalisten das Motiv, die Ware durch erhöhte Produktivkraft der Arbeit zu verwöhnen.

336:1/oo Indes entspringt selbst in diesem Fall die gestiegerte Produktion von Mehrwert aus der Verkürzung der notwendigen Arbeitszeit und entsprechender Verlängerung der Mehrarbeit.^{3a}

^{3a} „Der Profit eines Menschen hängt nicht ab von seinem Kommando über das Produkt der Arbeit anderer, sondern von seinem Kommando über Arbeit selbst. Wenn er seine Waren zu einem höheren Preis verkaufen kann, während die Löhne seiner Arbeiter unverändert bleiben, so zieht er augenscheinlich Gewinn daraus ... Ein kleine-

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and a larger proportion consequently remains for himself.' ([J. Cazenove,] *Outlines of Political Economy*, London 1832. pp. 49, 50.)

rer Teil dessen, was er produziert, reicht hin, jene Arbeit in Bewegung zu setzen, und demzufolge verbleibt ihm ein größerer Teil.“ ([J. Cazenove,] „Outlines of Polit. Econ.“, London 1832. p. 49, 50.)

With this footnote Marx is not trying to argue that the laborer working with the new machines creates more surplus-value because the capitalist can use a smaller portion of the product to pay his wages. The causality goes the opposite direction: since the labor working with the new machine is converted into potentiated labor, the capitalist is able to replace the value of labor-power with a smaller portion of the value of the daily product. (This last sentence is an almost literal quote from the machinery chapter, 530:1.)

The *support* of the claim that the laborer working with the new machine creates more value per hour than the average worker is not given in the footnote, but in the main text. For this argument, Marx needs a quantitative accounting of the social mass of surplus-value:

Let the necessary labor-time amount to 10 hours, i.e. the value of a day's labor-power to \$1.20, and the surplus labor-time to 2 hours, i.e. the daily surplus-value to 24 cents.

Die notwendige Arbeitszeit betrage 10 Stunden oder der Tageswert der Arbeitskraft 5 sh., die Mehrarbeit 2 Stunden, der täglich produzierte Mehrwert daher 1 sh.

This was before the change in productivity, or under the average conditions. Remember that 12 cents represent 1 hour of labor. But for the one capitalist with the superior technology things look different:

But our capitalist produces 24 articles now, which he sells at 20 cents each, making \$4.80 in all. Since the value of the means of production is \$2.88, 14 2/5 of these articles merely replace the constant capital advanced. The labor of the 12 hour working day is represented by the remaining 9 3/5 articles. Since the price of the labor-power is \$1.20, 6 articles represent the necessary labor-time, and 3 3/5 articles the surplus labor. The ratio of necessary labor to surplus labor, which under average social conditions was 5:1, has now fallen to 5:3.

Unser Kapitalist produziert aber jetzt 24 Stück, die er zu 10 d. per Stück oder zusammen zu 20 sh. verkauft. Da der Wert der Produktionsmittel gleich 12 Schilling, ersetzen 14 2/5 Stück Ware nur das vorgeschoßne konstante Kapital. Der zwölfstündige Arbeitstag stellt sich in den übrigbleibenden 9 3/5 Stück dar. Da der Preis der Arbeitskraft = 5 sh., stellt sich im Produkt von 6 Stück die notwendige Arbeitszeit dar und in 3 3/5 Stück die Mehrarbeit. Das Verhältnis der notwendigen Arbeit zur Mehrarbeit, welches unter den gesellschaftlichen Durchschnittsbedingungen 5:1 betrug, beträgt jetzt nur noch 5:3.

This is the calculation hinted at in footnote 3a, which measures everything in unit of the final product. It can also be measured in money:

We may arrive at the same result in the following way. The value of the product of the working day of 12 hours is \$4.80. Of this sum, \$2.88 represent the value of the means of production, a value that merely reappears in the finished product. There remain \$1.92, which are the expression in money of the value newly created during the working day. This sum is greater than

Dasselbe Resultat erhält man so: Der Produktenwert des zwölfstündigen Arbeitstags ist 20 sh. Davon gehören 12 sh. dem nur wieder erscheinenden Wert der Produktionsmittel. Bleiben also 8 sh. als Geldausdruck des Werts, worin sich der Arbeitstag darstellt. Dieser Geldausdruck ist höher als der Geldausdruck der gesellschaftlichen Durchschnittsarbeit von derselben Sorte,

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the sum in which average social labor of the same kind is expressed: 12 hours of the latter labor are expressed by only \$1.44. The exceptionally productive labor has the effect of potentiated labor; it creates in equal periods of time greater values than the labor of the same kind conforming with the social average.

Marx makes the same point also in the machinery chapter 530:1. In both places he uses the expression “potentiated labor,” i.e., labor made more potent, an expression which was first introduced in 134:3/o. The reason why different laborers produce different amounts of value in one hour is again the same: One labor-power is not exactly like any other. The potentiated labor of the laborer servicing the new machine produces a value of \$1.92 per day, i.e., 16 cents per hour, instead of the normal 12 cents.

Fowkes translates “potenziert” with “intensified,” which is blatantly wrong.

Once we know how much value has been produced, the implications for surplus-value follow immediately:

But our capitalist still continues to pay as before only \$1.20 as the daily value of labor-power. Hence, instead of 10 hours, the worker now needs to work for only 7 1/2 hours in order to reproduce this value. His surplus labor therefore grows by 2 1/2 hours, and the surplus-value he produces increases from 24 cents to 72 cents. Hence the capitalist who applies the improved method of production appropriates and devotes to surplus labor a greater portion of the working day than the other capitalists in the same business. He does individually what capital itself does as a whole when producing relative surplus-value.

There is a numerical discrepancy between the German and the English text, 7 1/2 versus 7 1/5 and

2 1/2 versus 2 4/5. But nowhere a remark why this is so. The German is right, and I took those

numbers also into my translation.

Aber unser Kapitalist zahlt nach wie vor nur 5 sh. für den Tageswert der Arbeitskraft. Der Arbeiter bedarf daher, statt früher 10, jetzt nur noch 7 1/2 Stunden zur Reproduktion dieses Werts. Seine Mehrarbeit wächst daher um 2 1/2 Stunden, der von ihm produzierte Mehrwert von 1 auf 3 sh. Der Kapitalist, der die verbesserte Produktionsweise anwendet, eignet sich daher einen größeren Teil des Arbeitstags für die Mehrarbeit an als die übrigen Kapitalisten in demselben Geschäft. Er tut im einzelnen, was das Kapital bei der Produktion des relativen Mehrwerts im großen und ganzen tut.

Exam Question 692 What is extra surplus-value? How is it related to relative surplus-value? 2008fa, 2008SP, 2007fa, 2007SP, 2005fa, 2004fa, 2003fa, 2002fa, 2001fa, 2000fa, 1999SP, 1998WI, 1997WI, 1996sp, 1995ut.

The above is an argument that the competitive mechanism is connected with its ultimate result after all; it is the same result which was aimed for on an individual plane—and was lost again, as will be seen in the next sentence:

On the other hand, however, this extra surplus-value disappears as soon as the new method of production is generalized, for

Andrerseits aber verschwindet jener Extramehrwert, sobald die neue Produktionsweise sich verallgemeinert und damit die Dif-

then the difference between the individual value of the cheapened commodity and its social value vanishes. The same law of the determination of value by labor-time, which makes itself felt to the individual capitalist who applies the new method of production by compelling him to sell his goods under their social value, this same law, acting as a coercive law of competition, forces his competitors to adopt the new method.⁴

It was already discussed above that the innovator himself had to lower the price to get more room in the market. This stirs up competition and forces the others to follow suit. The footnote leaves no doubt that this is what is meant:

⁴ ‘If my neighbour by doing much with little labor, can sell cheap, I must contrive to sell as cheap as he. So that every art, trade, or engine, doing work with labor of fewer hands, and consequently cheaper, begets in others a kind of necessity and emulation, either of using the same art, trade, or engine, or of inventing something like it, that every man may be upon the square, that no man may be able to undersell his neighbour’ (The Advantages of the East-India Trade to England, London, 1720, p. 67).

Does this mean that this increase in productivity has *no* lasting effect on value relations? The general rate of surplus-value is therefore ultimately affected by the whole process only when the increase in the productivity of labor has seized upon those branches of production and cheapened those commodities that contribute towards the necessary means of subsistence, and are therefore elements of the value of labor-power.

Here one sees how the individual capitalists are motivated to produce relative surplus-value. Their motivation usually focuses on extra surplus-value only. This does increase their profits, but this benefit will usually be only short-lived and the extra surplus-value will be competed away again. In those cases, however, in which competition lowers the price of wage goods, this extra surplus-value does not disappear but becomes relative surplus-value benefiting all capitalists.

Marx no longer spins on his quantitative example to substantiate this last claim. Here is a proposed extension of his calculations, which shows that also quantitatively the extra surplus-value is equal to the relative surplus value arising later when the value has equalized.

As in Marx’s example, one working hour produces 12 cents. The working day is 12 hours, therefore one man-day of labor produces a value of \$1.44. The year has 300 working days, therefore 1 man year of labor produces a value of \$432.

The hourly wage is 10 cents, therefore the hourly surplus-value is 2 cents. The daily wage

ferenz zwischen dem individuellen Wert der wohlfeiler produzierten Waren und ihrem gesellschaftlichen Wert verschwindet. Das-selbe Gesetz der Wertbestimmung durch die Arbeitszeit, das dem Kapitalisten mit der neuen Methode in der Form fühlbar wird, daß er seine Ware unter ihrem gesellschaftlichen Wert verkaufen muß, treibt seine Mitbewerber als Zwangsgesetz der Konkurrenz zur Einführung der neuen Produktionsweise.⁴

⁴ „Wenn mein Nachbar billig verkaufen kann, indem er mit wenig Arbeit viel herstellt, muß ich danach trachten, ebenso billig wie er zu verkaufen. So erzeugt jede Kunst, jedes Verfahren oder jede Maschine, die mit der Arbeit von weniger Händen und infolgedessen billiger arbeitet, bei andren eine Art Zwang und einen Wettbewerb, entweder dieselbe Kunst, dasselbe Verfahren oder dieselbe Maschine anzuwenden, oder etwas Ähnliches zu erfinden, damit alle auf gleichem Stand seien und keiner seinen Nachbar unterbieten könne.“ („The Advantages of the East-India Trade to England“. Lond. 1720, p. 67.)

Die allgemeine Rate des Mehrwerts wird also durch den ganzen Prozeß schließlich nur berührt, wenn die Erhöhung der Produktivkraft der Arbeit Produktionszweige ergriffen, also Waren verwohlfeilt hat, die in den Kreis der notwendigen Lebensmittel eingehen, daher Elemente des Werts der Arbeitskraft bilden.

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is \$1.20, therefore the daily surplus-value is 24 cents. The annual wage is \$360, therefore the annual surplus-value is \$72.

Look at the whole society, say a big city. It has 60,000 productive workers with their families. During the year they produce a value of $60,000 \times \$432 = \$25,920,000$. Their wages during the year are $60,000 \times \$360 = \$21,600,000$. And the surplus-value in one year is $\$4,320,000$.

Now let us go to shirt manufacturing. In the manufactures, every shirt requires one man hour of labor and 12 cents worth of materials etc. Assuming this is the socially necessary labor, the value of the shirt is 24 cents, which splits up in 12 cents constant capital + 10 cents variable capital + 2 cents surplus-value. Assume there are two shirt manufacturers in the city with 25 workers each. Then every manufacturer produces $300 \times 12 \times 25 = 90,000$ shirts per year. These 180,000 shirts together are sufficient for every worker to buy for himself and his family 3 shirts per year.

To produce his shirts, each capitalist needs a constant capital of $90,000 \times 12 \text{ cents} = \$10,800$, wages of \$9000, and gets a surplus-value of \$1,800 per year. The value of the 90,000 shirts is \$21,600.

Now assume the following situation. One of the two capitalists improves his production method so that he needs only 1/2 hours of work for every shirt. The second capitalist learns that and starts to produce something other than shirts in his factory. The first capitalist works with as many laborers as before, producing twice as many shirts.

Now let us look at three different scenarios. First assume that the socially necessary production method and the value of the shirts is still the old one. This capitalist now needs twice as much constant capital as before, namely \$21,600 worth per year, and has twice the sales as before, namely, \$43,200. That means, the new value produced by his 25 men is \$21,600, which is twice as much as before, or \$10,800 more than before. "The exceptionally productive labor has the effect of potentiated labor" (435:1/o). Since the wages for the 25 men are still the same as before, namely, \$9000, the surplus-value soared for this capitalist from \$1,800 to \$12,600 per year. This is an increase in the surplus-value by \$10,800. Since we assumed that the surplus-value of all other capitalists is still the same as before, the total value produced in our city rises from \$25,920,000 to \$25,930,800. The total sum of wages is still the same as before, namely, \$21,600,000, and the total sum of surplus-value is $\$25,920,000 + \$10,800 - \$21,600,000 = \$4,330,800$.

Second scenario: in order to avert the threat of re-entry by the other manufacturer, the unique manufacturer sells the shirts for 20 cents, this is 4 cents below the value before, but still 2 cents above the individual value of the shirt manufacturer. The total sales of the shirt manufacturer are now \$36,000, of which \$21,600 are constant capital and \$14,400 is newly created value. He still creates, with his 25 workers, \$3,600 more value per year than before the changes in productiveness, i.e., the labor of his workers still counts as multiplied labor. But now, also the value of the labor-power goes down: for the three shirts which every workers buys every year, he needs no longer 72 cents but only 60 cents, i.e., he saves 12 cents per year. Assuming the value of the labor-power is determined by the value of the necessary means of subsistence, it also goes down 12 cents per year, from \$360 to \$359.88. The total wage sum goes down by $60,000 \times 12 \text{ cents} = \$7,200$. The total surplus-value is now $\$25,920,000 + \$3,600 - (\$21,600,000 - \$7,200) = \$4,330,800$, which is the same as before.

Third scenario: the social value of the shirts falls to the level of the individual values of our manufacturer: he has to sell his shirts for 18 cents, which is 12 cents for constant capital, and 6 cents for 1/2 hour of labor. The total value produced in the city is back down where it was before. The wages fall once more by another 6 cents per year, i.e., the total wage sum falls by

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another \$3,600 and is therefore $\$21,600,000 - \$7,200 - \$3,600 = \$21,600,000 - \$10,800$. The total surplus-value is $\$25,920,000 - (\$21,600,000 - \$10,800) = \$4,330,800$ which is, again, the same as before.

The total amount of surplus-value is therefore the same in all three scenarios, only the distribution of the surplus-value is different. In the first scenario, only the capitalist who applied the exceptional productivity enjoyed this surplus-value, and in the third it is shared equally by all capitalists. “He does individually what capital itself does as a whole when producing relative surplus-value.” (435:1/o).

Question 698 (*Fri Nov 5–Mon Nov 8*) *Relative surplus-value requires the value of labor-power to fall. Does this mean that in today’s world with sticky wages and union contracts, relative surplus-value is impossible?* 2009fa, 2008fa, 2005fa.

12.4. [Value and Productivity]

The last third of the chapter is an essay about the paradox that capitalists, who are only interested in the value-aspect of their products, nevertheless continually strive to decrease the exchange-values of their commodities. If a capitalist introduces more productive machinery, his motives are often to undercut competition, expand production to make more profits. Whatever the case, it is self-understood that he uses all the advantages of the improved machinery for himself and leaves the worker where he or she is. Thus the machinery increases the gap between capitalist and laborer, i.e., the relative surplus-value.

436:1/o The value of commodities stands in inverse ratio to the productivity of labor. So, too, does the value of labor-power, since it depends on the values of commodities. Relative surplus-value, however, is directly proportional to the productive power of labor. It rises and falls together with it.

Now Marx makes an assumption which colors everything he is going to say: the value of money, in terms of labor-time, is fixed:

The value of money being assumed to be constant, an average social working day of 12 hours always produces the same new value, \$1.44, no matter how this sum may be apportioned between surplus-value and wages. But if, as a result of an increase in productivity, there is a fall in the value of the means of subsistence, and the daily value of labor-power is thereby reduced from \$1.20 to 72 cents, the surplus-value will increase from 24 cents to 72 cents. 10 hours were necessary for the reproduction of the value of the labor-power; now only 6 are required. 4 hours have been set free, and can be annexed to the domain of surplus labor.

338:1 Der Wert der Waren steht in umgekehrtem Verhältnis zur Produktivkraft der Arbeit. Ebenso, weil durch Warenwerte bestimmt, der Wert der Arbeitskraft. Dagegen steht der relative Mehrwert in direktem Verhältnis zur Produktivkraft der Arbeit. Er steigt mit steigender und fällt mit fallender Produktivkraft.

Ein gesellschaftlicher Durchschnittsarbeitsstag von 12 Stunden, Geldwert als gleichbleibend vorausgesetzt, produziert stets dasselbe Wertprodukt von 6 sh., wie diese Wertsumme sich immer verteile zwischen Äquivalent für den Wert der Arbeitskraft und Mehrwert. Fällt aber infolge gesteigerter Produktivkraft der Wert der täglichen Lebensmittel und daher der Tageswert der Arbeitskraft von 5 sh. auf 3 sh., so wächst der Mehrwert von 1 sh. auf 3 sh. Um den Wert der Arbeitskraft zu reproduzieren, waren 10 und sind jetzt nur noch 6 Arbeitsstunden nötig. Vier Arbeitsstunden sind frei geworden und können der Domäne der Mehrarbeit annexiert werden.

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Interesting insight about competition which has practical implications for labor struggles: these 4 hours are up for grabs! Workers can fight for them too.

Capital therefore has an immanent drive, and a constant tendency, towards increasing the productivity of labor, in order to cheapen commodities and, by cheapening commodities, to cheapen the worker himself.⁵

There are two statements in this sentence. (1) cheapening of the commodities implies cheapening of the laborer, and (2) hence capital has the immanent tendency to raise the productivity of labor. Footnote 5 concentrates on statement (1) only. Statement (2) is an interesting issue from the theory of competition. The present chapter gives only some isolated remarks about it but cannot give a full and systematic development of the issue.

⁵ In whatever proportion the expenses of a laborer are diminished, in the same proportion will his wages be diminished, if the restraints on industry are at the same time taken off' [Ano53, p. 7] 'The interest of trade requires, that corn and all provisions should be as cheap as possible; for whatever makes them dear, must make labor dear also ... in all countries, where industry is not restrained, the price of provisions must affect the price of labor. This will always be diminished when the necessities of life grow cheaper' [Ano53, p. 3] 'Wages are decreased in the same proportion as the powers of production increase. Machinery, it is true, cheapens the necessities of life, but it also cheapens the laborer' [Ano34, p. 27]

437:1 The absolute value of a commodity is, in itself, of no interest to the capitalist who produces it. All that interests him is the surplus-value present in it, which can be realized by sale. Realization of the surplus-value necessarily carries with it the replacement of the value advanced. Now, since relative surplus-value increases in direct proportion to the development of the productivity of labor, while the value of commodities stands in precisely the opposite relation to the growth of productivity; since the same process both cheapens commodities and augments the surplus-value contained in them, we have here the solution of the following riddle: Why does the capitalist, whose sole concern is to produce exchange-value, continually strive to bring down the

Es ist daher der immanente Trieb und die beständige Tendenz des Kapitals, die Produktivkraft der Arbeit zu steigern, um die Ware und durch die Verwohlfeilung der Ware den Arbeiter selbst zu verwohlfeilern.⁵

(1) cheapening of the commodities implies cheapening of the laborer, and (2) hence capital has the immanent tendency to raise the productivity of labor. Footnote 5 concentrates on statement (1) only. Statement (2) is an interesting issue from the theory of competition. The present chapter gives only some isolated remarks about it but cannot give a full and systematic development of the issue.

⁵ "In welchem Verhältnis immer die Ausgaben eines Arbeiters verringert werden, in gleichem Verhältnis wird auch sein Lohn verringert, wenn die Einschränkungen der Industrie gleichzeitig aufgehoben werden. [Ano53, p. 7] „Das Interesse der Industrie erfordert, daß Korn und alle Lebensmittel so billig wie möglich sind; was immer sie verteilt, muß auch die Arbeit verteuern ... in allen Ländern, in denen die Industrie keinen Einschränkungen unterliegt, muß der Preis der Lebensmittel auf den Preis der Arbeit einwirken. Dieser wird stets herabgesetzt werden, wenn die notwendigen Lebensmittel billiger werden.“ [Ano53, p. 3] Die Löhne werden im selben Verhältnis gesenkt, in dem die Produktionskräfte anwachsen. Die Maschine verbilligt zwar die notwendigen Lebensmittel, aber sie verbilligt außerdem auch den Arbeiter.“ [Ano34, p. 27]

338:2/o Der absolute Wert der Ware ist dem Kapitalisten, der sie produziert, an und für sich gleichgültig. Ihn interessiert nur der in ihr steckende und im Verkauf realisierbare Mehrwert. Realisierung von Mehrwert schließt von selbst Ersatz des vorgeschoßnen Werts ein. Da nun der relative Mehrwert in direktem Verhältnis zur Entwicklung der Produktivkraft der Arbeit wächst, während der Wert der Waren in umgekehrtem Verhältnis zur selben Entwicklung fällt, da also derselbe identische Prozeß die Waren verwohlfeilt und den in ihnen enthaltenen Mehrwert steigert, löst sich das Rätsel, daß der Kapitalist, dem es nur um die Produktion von Tauschwert zu tun ist, den Tauschwert der Waren beständig zu senken strebt, ein Widerspruch, womit einer der Gründer

exchange-value of commodities? One of the founders of political economy, Quesnay, used to torment his opponents with this question, and they could find no answer to it.

'You acknowledge,' he says, that the more one can reduce the expenses and costs of labor in the manufacture of industrial products, without injury to production, the more advantageous is that reduction, because it diminishes the price of the finished article. And yet you believe that the production of wealth, which arises from the labor of the craftsmen, consists in the augmentation of the exchange-value of their products.

Question 699 (*Fri Nov 5–Mon Nov 8*) Does the continual striving by the capitalists to lower the value of their products contradict the basic tenet of the labor theory of value that they are only interested in value, not use-value? [2005fa](#), [2004fa](#), [2001fa](#), [2000fa](#), [1999SP](#), [1998WI](#), [1997WI](#), [1996ut](#), [1995WI](#).

437:2/o The shortening of the working day, therefore, is by no means what is aimed at in capitalist production, when labor is economized by increasing its productivity.⁷ It is only the shortening of the labor-time necessary for the production of a definite quantity of commodities that is aimed at. The fact that the worker, when the productivity of his labor has been increased, produces say ten times as many commodities as before, and thus spends one-tenth as much labor-time on each, by no means prevents him from continuing to work 12 hours as before, nor from producing in those 12 hours 1,200 articles instead of 120. Indeed, his working day may simultaneously be prolonged, so as to make him produce say 1,400 articles in 14 hours. Therefore in the treatises of economists of the stamp of MacCulloch, Ure, Senior and the like, we may read on one page that the worker owes a debt of gratitude to capital for developing his productivity, because the necessary labor-time is thereby shortened, and on the next page that he must prove his gratitude by working in future for 15 hours instead of 10. The objective of the development of the productivity of labor within the context of cap-

der politischen Ökonomie, Quesnay, seine Gegner quälte und worauf sie ihm die Antwort schuldig blieben.

„Ihr gebt zu“, sagt Quesnay, „daß, je mehr man, ohne Nachteil für die Produktion, Kosten oder kostspielige Arbeiten in der Fabrikation industrieller Produkte ersparen kann, desto vorteilhafter diese Ersparung, weil sie den Preis des Machwerks vermindert. Und trotzdem glaubt ihr, daß die Produktion des Reichstums, der aus den Arbeiten der Industriellen herkommt, in der Vermehrung des Tauschwerts ihres Machwerks besteht.“⁶

339:2/o Ökonomie der Arbeit durch Entwicklung der Produktivkraft der Arbeit⁷ bezieht sich in der kapitalistischen Produktion also durchaus nicht Verkürzung des Arbeitstags. Sie bezieht sich nur auf die Verkürzung der für Produktion eines bestimmten Warenquantums notwendigen Arbeitszeit. Daß der Arbeiter bei gesteigerter Produktivkraft seiner Arbeit in einer Stunde z.B. 10mal mehr Ware als früher produziert, also für jedes Stück Ware 10mal weniger Arbeitszeit braucht, verhindert durchaus nicht, ihn nach wie vor 12 Stunden arbeiten und in den 12 Stunden 1200 statt früher 120 Stück produzieren zu lassen. Ja, sein Arbeitstag mag gleichzeitig verlängert werden, so daß er jetzt in 14 Stunden 1400 Stück produziert usw. Man kann daher bei Ökonomen vom Schlag eines MacCulloch, Ure, Senior und tutti quanti auf einer Seite lesen, daß der Arbeiter dem Kapital für die Entwicklung der Produktivkräfte Dank schuldet, weil sie die notwendige Arbeitszeit verkürzt, und auf der nächsten Seite, daß er diesen Dank beweisen muß, indem er statt 10 künftig 15 Stunden arbeitet. Die Entwicklung der Produktivkraft der Arbeit, innerhalb der kapitalistischen Produktion, bezieht sich, den Teil

12. Concept of Relative Surplus-Value

italist production is the shortening of that part of the working day in which the worker must work for himself, and the lengthening, thereby, of the other part of the day, in which he is free to work for nothing for the capitalist.

Sometimes, the capitalists even have the gall to say: since we have invested so much in expensive machinery, now everyone must show up on time.

⁷ ‘These speculators, who are so economical of the labor of the workers they would have to pay’ (J. N. Bidaut, *Du monopole qui s’établit dans les arts industriels et le commerce*, Paris, 1828, p. 13). ‘The employer will be always on the stretch to economise time and labor’ (Dugald Stewart, *Lectures on Political Economy*, in *Works*, ed. by Sir W. Hamilton, Vol. 8, Edinburgh, 1855, p. 318). ‘Their’ (the capitalists) ‘interest is that the productive powers of the laborers they employ should be the greatest possible. On promoting that power their attention is fixed and almost exclusively fixed’ (R. Jones, op. cit., Lecture III [p. 38]).

How far this result can also be attained without cheapening commodities will appear from the following chapters, where we examine the particular methods of producing relative surplus-value.

des Arbeitstags, den der Arbeiter für sich selbst arbeiten muß, zu verkürzen, um gerade dadurch den andren Teil des Arbeitstags, den er für den Kapitalisten umsonst arbeiten kann, zu verlängern.

Sometimes, the capitalists even have the gall to say: since we have invested so much in expensive machinery, now everyone must show up on time.

⁷ „Diese Spekulanten, die so sehr sparen an der Arbeit der Arbeiter, die sie bezahlen müßten.“ (J. N. Bidaut, „*Du Monopole qui s’établit dans les arts industriels et le commerce*“, Paris 1828, p. 13.) „Der Unternehmer wird immer alles daran setzen, um Zeit und Arbeit zu sparen.“ (Dugald Stewart, „*Works*“, ed. by Sir W. Hamilton, v. VIII, Edinburgh 1855, „*Lectures on Polit. Econ.*“, p. 318.) „Sie“ (die Kapitalisten) „sind daran interessiert, daß die Produktivkräfte der Arbeiter, die sie beschäftigen, so groß wie möglich seien. Diese Kraft zu steigern, darauf ist ihre Aufmerksamkeit, und zwar fast ausschließlich gerichtet.“ (R. Jones, l.c., Lecture III.)

Wieweit dies Resultat auch ohne Verwöhlfeilung der Waren erreichbar, wird sich zeigen in den besondren Produktionsmethoden des relativen Mehrwerts, zu deren Be trachtung wir jetzt übergehn.

Question 700 (*Fri Nov 5–Mon Nov 8*) Marx says that an increase in productivity will increase surplus-value not only through the cheapening of the workers’ means of subsistence, but through other avenues as well. Describe some of these other avenues. [2007fa](#), [2005fa](#), [2003fa](#), [1999SP](#).

Term Paper Topic 701 (*Tue Nov 9–Thu Nov 11*) Essay about the General Connection between Exploitation and Surplus-Value. [2009fa](#).

Term Paper Topic 702 (*Tue Nov 9–Thu Nov 11*) Essay about Chapter Eleven: Rate and Mass of Surplus Value [2007SP](#).

Term Paper Topic 703 (*Tue Nov 9–Thu Nov 11*) Essay about Chapter Thirteen: Co-operation [2008fa](#), [2007SP](#), [2005fa](#), [2003fa](#), [2002fa](#), [2001fa](#), [2000fa](#), [1999SP](#).

Term Paper Topic 704 (*Tue Nov 9–Thu Nov 11*) Essay about Chapter Fourteen: Division of Labor and Manufacture [2008fa](#), [2007SP](#), [2005fa](#), [2003fa](#), [2002fa](#), [1999SP](#).

Term Paper Topic 705 (*Tue Nov 23–Mon Nov 29*) Essay about Chapter Fifteen: Machinery and Large-Scale Industry [2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2002fa](#), [1999SP](#), [1997ut](#), [1997sp](#), [1997WI](#).

Term Paper Topic 706 (*Tue Nov 23–Mon Nov 29*) Essay about Chapter Sixteen: Absolute and Relative Surplus Value [2009fa](#), [2008fa](#), [2007fa](#).

12.4. [Value and Productivity]

Term Paper Topic 707 (*Tue Nov 23–Mon Nov 29*) *Essay about Chapter Seventeen: Changes in Wages and Surplus Value* [2009fa](#), [2008SP](#), [2007fa](#), [2007SP](#), [2004fa](#), [2002fa](#), [2001fa](#), [2000fa](#).

Term Paper Topic 708 (*Tue Nov 23–Mon Nov 29*) *Essay about Chapter Eighteen: Different Formulae for Rates of Surplus Value* [2009fa](#).

Question 709 (*Fri Nov 5–Mon Nov 8*) *Why do machines not add new value to the product?* [2008fa](#).

19. The Transformation of the Value (and Respectively the Price) of Labor-Power into a Wage Based on Labor

What is the difference between “value (or price) of labor-power” and “wage”? Why does Marx speak here of a *transformation*? Answer: The German word for “wage,” “*Arbeitslohn*,” literally means “wage of labor.” The word itself specifies that the wage is a payment based on the *labor* performed.

The title above uses the translation recommend here, although both say “wages.”
“wage based on labor” Moore-Aveling and Fowkes only

The transformation is therefore the following: although the worker is selling his labor *power*, his pay is based on the *labor* performed. If the worker were paid directly for his labor *power*, he would report to the employer his expenses necessary so that he can show up for work every day, and would be reimbursed for these expenses. In return, he would have to work a “normal” working day (whose determination has been described in chapter Ten). Clearly, this is not how these transactions are handled. The worker is paid by the hour or by his output, i.e., he is not paid for his labor *power* but for the *labor* actually performed, which is either measured by time or output. Not only the form of payment but also the delivery of the commodity sold by the worker looks exactly as if the worker was selling his labor, not his labor-power.

On the surface of the economy one can therefore say that labor is traded as a commodity which has a price. This is not an illusion but reality. But despite this dance on the surface, the commodity which the worker *really* sells to the capitalist is not labor but labor-power.

Perhaps the following example will clarify the distinction. You buy a large bottle of wine and drink it all down so that you get drunk. Is the money you give the sales clerk in the wine store paid for the wine or for getting drunk? For the wine of course. The money covers the cost of producing the wine, not the benefits of getting drunk. You use the money to get the wine, and the wine to get drunk. Had you used the wine in such a way that it did not make you drunk you still would have had to pay the same amount of money for the wine. Now assume you make an arrangement with the wine seller of the following sort: You take a blood test after drinking the wine and then pay the store clerk according to how drunk you are. This would be a transformation of the price of wine into a price of getting drunk. Needless to say, such a payment arrangement would not be practical. The wine seller would say: “I don’t care what you are using the wine for, just pay me for the bottle and get out of here.”

If the employer buys your labor-power but pays you for how much you work, this is like buying wine from you and paying you according to how drunk he got. And here it even

makes sense as a practical procedure. You, the seller of labor-power, have to be present anyway when your employer consumes your labor-power; after all you are the one who has to do the work. And the payment by labor performed gives you the incentive, or say better coerces you, to work hard. On the one hand, therefore, the wage form is a form of coercion whose necessity is generally acknowledged. Without it, the capitalist would not be able to get much labor out of his workers. But on the other hand this wage form also has the side effect of making the worker believe that all his labor is paid, thus hiding exploitation. In the present chapter, Marx stresses the importance of this side effect. It performs a function essential for capitalism; capitalism could not function if exploitation were not hidden.

Question 710 (*Tue Nov 9–Thu Nov 11*) *Both the fetish-like character of the commodity and the mystification of the wage form are important pillars of capitalism. How are these two pillars related to each other?*

Question 711 (*Tue Nov 9–Thu Nov 11*) *Your employer gives you your paycheck. How do you know your pay is based on your labor and not your labor-power (and why does it matter)?* [2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [1997ut](#), [1997sp](#), [1997WI](#), [1996ut](#).

To the worker it seems natural that he is paid for his labor. After selling his labor-power on the market, he cannot turn around to buy the things he needs, and then go home and enjoy them. First he must show up at work and work many arduous hours. What he *actually* gives the capitalist is therefore his labor. He must be there and witness, often in a painful way, how the capitalist consumes the commodity he sold him. This makes it natural to think the wage contract is a contract in which he sells his labor to the capitalist. If his wage is low this is a sign that the productivity of his labor is low. Also the capitalist is often unaware that the commodity labor-power is his only source of surplus-value, since there is no difference between the purchase of labor and the purchase of any other condition of production. This chapter discusses the implications of this pervasive false consciousness.

Question 714 (*Tue Nov 9–Thu Nov 11*) *If it looks like a duck and walks like a duck and quacks like a duck, then it is a duck. What the laborer is selling the capitalist is paid as if it was her labor, and what the laborer gives the capitalist during the day is her labor. Why does Marx not draw the obvious conclusion from this that the laborer is selling her labor, but insist that she is selling her labor-power?* [2009fa](#), [2008fa](#), [2007fa](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#), [2000fa](#), [1999SP](#), [1998WI](#), [1997WI](#), [1996sp](#), [1995ut](#).

The starting point of this chapter is not a false consciousness but a surface phenomenon: that what the laborers actually give the capitalists, and also their form of payment, seem to indicate that they sold their *labor*. Marx tries to show that this surface phenomenon is misleading. First he gives several reasons why the commodity traded between laborer and capitalist cannot be labor. Then he gives the correct interpretation of the transaction between capitalist and worker, which requires that a certain step is made consciously that classical political economy had made without being aware of it. If workers and capitalists think that the worker is selling labor and not labor-power, exploitation becomes invisible—because all labor appears as paid labor. Finally, Marx enumerates several specific features of the wage form which immunize it against being found out for what it is.

19. From Value of Labor-Power to Wage

19.1. [Can Labor be a Commodity?]

675:1 On the surface of bourgeois society, the compensation of the laborer *appears* as *price of labor*, a certain amount of money paid for a certain amount of labor.

557:1 Auf der Oberfläche der bürgerlichen Gesellschaft *erscheint* der Lohn des Arbeiters als *Preis der Arbeit*, ein bestimmtes Quantum Geld, das für ein bestimmtes Quantum Arbeit gezahlt wird.

The word translated here with “compensation” is “*Lohn*.” A more literal translation of “*Lohn*” would be “wage.” This is the only time in this chapter that Marx uses the term “wage” (*Lohn*), not “wage of labor” (*Arbeitslohn*). The reason might be stylistic: the word “labor” (*Arbeit*) or “laborer” (*Arbeiter*) appears already three times in the same sentence. But I think Marx wanted it to be a semantic difference. I think Marx is using “wage” here not as a short form of “wage of labor” (*Arbeitslohn*), but in the sense of “reward, compensation, retribution” (*Belohnung*). Indeed,

the French edition has “rétribution” on this place. It denotes the revenue of the laborer, without indicating for what or in what form this revenue is paid. This is why I translated “*Lohn*” here as “compensation” instead of “wage.” In the French edition of *Capital* the title reads “transformation de la valeur ou du prix de la force de travail en salaire,” and the first sentence reads: “A la surface de la société bourgeoise la rétribution du travailleur se représente comme le salaire du travail: tant d’argent payé pour tant de travail.” (On the surface of bourgeois society, the

compensation of the laborer appears as the wage of labor: so and so much money paid for so and so much labor.) The German expression “price of labor (*Preis der Arbeit*)” is translated with “salaire du travail” (wage of labor). This makes it clear that the word “salaire” (wage) in the title is parallel to the word “wage of labor” in the first sentence, not with the word “compensation.” In the usual English translation, the choice of words suggests just the opposite, which makes it impossible to understand the meaning of the first sentence.

In capitalism, the workers can eat because they receive a wage for their labor. This is not an illusion but reality: the income of the worker is paid in the form: “so and so many dollars per unit of labor” (where the labor is either measured by the hour or by its output). I.e., it is paid as price of labor, not of labor-power. This form of payment suggests that the commodity which the worker sells to the capitalist is his labor. In order to show that the surface category “price of labor” is not the surface expression of the value of the commodity “labor,” Marx argues in four different ways that that which the worker sells the capitalist cannot be his labor.

19.1.a. [Labor Cannot Have Value]

If that which the worker sells the capitalist were labor, then the price received would be the surface manifestation of the value of labor. This cannot be, since “value of labor” is a logical impossibility.

People speak of the value of labor, and call its expression in money the necessary or natural price of labor. On the other hand they speak of market prices of labor, i.e. prices which oscillate above or below this necessary price.

Man spricht hier vom Wert der Arbeit und nennt seinen Geldausdruck ihren notwendigen oder natürlichen Preis. Man spricht andererseits von Marktpreisen der Arbeit, d.h. über oder unter ihrem notwendigen Preis oszillierenden Preisen.

The “here” (*hier*) refers to the surface of bourgeois economy, which makes it clear that the “one” (*man*) does not refer to the researcher/observer but to people

in practical life. I hope my translation “people” (instead of “one”) makes this reasonably clear, therefore I left the “here” out. The translation filled in “price

of labor” instead of simply its price; this is justified by the 1st edition 433:1.

19.1. [Can Labor be a Commodity?]

Wages fluctuate around a central level which at Marx's time was usually called the "necessary" or "natural" price of *labor*. This "natural" price was considered to be the surface expression of the core category *value of labor*. The economists at Marx's time therefore tried to go from the surface category "wage" down to the underlying relation of production "value of labor." They may have been less sophisticated about it than Marx was at the beginning of chapter One, but they proceeded in a similar spirit. A more detailed analysis of this "naïve" approach will be given later in this chapter, pp. 677:3/oo and 682:2. Unfortunately, their starting point is a "false" form. In *Capital II*, 113:3, Marx calls it a "disguised" (*verkleidete*) Form, i.e., it is a form which projects a content that it does not have. The procedure which the economists try to apply will therefore lead them astray. It is as if they were drilling for oil at a place where there is no oil.

The social sciences start with observable phenomena and infer from them the invisible social structures giving rise to these phenomena. Whenever one makes such a second-order (or "reductive") argument one can never be sure whether those things, whose existence one conjectures because they could have generated the effects which one sees, actually exist. How can one tell whether one looks for a basic underlying mechanisms in the right place, or whether one's second-order arguments try to fish for an underlying structure which does not exist? Marx is going to argue—and document by citing sources from the literature—that the present attempts to drill at the wrong place has a twofold outcome.

1. The results obtained are incompatible with the conclusion drawn earlier about commodity exchange, i.e., they do not explain the phenomena in a way that is consistent with our previous knowledge, and
2. they end up postulating mechanisms which, if active, would not lead to the observed outcomes.

Marx starts his development of point 1 with a theoretical argument that labor is not a commodity. First he will show that labor cannot have value, and then that it cannot be traded on the markets. ↴ Here is the first part: given what we know about value, labor cannot have value.

675:2 But what is the value of a commodity? The objectified form of the social labor expended in its production. And how do we measure the quantity of the commodity's value? By the quantity of the labor contained in it. How would then the value, e.g., of a 12-hour working day be determined? By the 12 working hours contained in a working day of 12 hours, which is an absurd tautology.²¹

A very similar formulation can be found in *Value, Price and Profit*, [mecw20]128:0:

To say that the value of a ten hours' working day is equal to ten hours' labor, or the quantity of labor contained in it, would be a tautological and, moreover, a nonsensical expression.

557:2 Aber was ist der Wert einer Ware? Gegenständliche Form der in ihrer Produktion verausgabten gesellschaftlichen Arbeit. Und wodurch messen wir die Größe ihres Werts? Durch die Größe der in ihr enthaltenen Arbeit. Wodurch wäre also der Wert z.B. eines zwölfstündigen Arbeitstags bestimmt? Durch die in einem Arbeitstag von 12 Stunden enthaltenen 12 Arbeitsstunden, was eine abgeschmackte Tautologie ist.²¹

Why is it not only tautological but also nonsensical or absurd? Because Marx's brand of realism implies that that which gives things value cannot itself have value. Let me explain. As Marx sees the relations of production in capitalism, value is real. It has real effects. These

19. From Value of Labor-Power to Wage

real effects must come from somewhere; there must be a real force driving them. Take for instance a mechanical toy moving around on your table. Since it is moving you can be sure that, if you open it up, you will find a battery inside. Now if you open it up and you find another mechanical toy inside which runs this mechanical toy, then you know you haven't found the ultimate source of energy yet. In the same way, saying that labor imparts its own value on the things it produces is merely displacing the problem; now we have to find out where labor gets its value from. And as far as Marx is concerned such a displacement is wrong and unnecessary. It is like discovering your toy is powered by a mouse and then looking for a battery inside the mouse. Labor is real and has real effects. It has these real effects not because it has value, on the contrary, labor is the real force in society which gives the products produced for the market their value.

Engels illustrates this as follows in this preface to *Capital II*, p. 101:2:

As an activity creating value, [labor] can no more have any particular value than gravity can have any particular weight, heat any particular temperature, electricity any particular strength of current.

I don't find this analogy very helpful.

A more convincing analogy was given by one of my students:

Labor is the cause of value in commodities, but cannot in itself have value; as the sun is the cause of shadows but cannot in itself have a shadow.

This analogy can guide our analysis. In order to have a shadow, you not only need sunlight but also a dark body obscuring the sunlight. In order to have a value, you not only need labor but also some use-value in which this labor is materialized. It is important here that value is *congealed* labor.

Question 716 (*Tue Nov 9–Thu Nov 11*) Why is it an absurd tautology to say that the value of a 12-hour working day is determined by the 12 working hours contained in it? [2008fa](#), [2008SP](#), [2007fa](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#).

Question 717 (*Tue Nov 9–Thu Nov 11*) Marx says that labor cannot have value because it is the source which gives everything its value. How can labor give something which it doesn't have? [2008SP](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#).

↓ Already in 1825, Samuel Bailey had written that the concept "value of labor" is absurd. Bailey's conclusion is not that labor does not have value but that Ricardo's labor theory of value is internally inconsistent. Nevertheless, Marx quotes Bailey at length in footnote 21:

²¹ 'Mr. Ricardo, ingeniously enough, avoids a difficulty which, on a first view, threatens to encumber his doctrine, that value depends on the quantity of labor employed in production. If this principle is rigidly adhered to, it follows that the value of labor depends on the quantity of labor employed in producing it—which is evidently absurd.'

²¹ „Ricardo, geistreich genug, vermeidet eine Schwierigkeit, die auf den ersten Blick seiner Theorie entgegenzustehen scheint, daß nämlich der Wert von der in der Produktion verwandten Arbeitsmenge abhängig ist. Hält man an diesem Prinzip streng fest, so folgt daraus, daß der Wert der Arbeit abhängt von der zu ihrer Produktion aufgewandten Arbeitsmenge—was offenbar Unsinn ist.“

↓ Next Bailey describes a step in Ricardo's argument which he considers a maneuver to avoid this absurdity:

19.1. [Can Labor be a Commodity?]

21 ctd ‘By a dexterous turn, therefore, Mr. Ricardo makes the value of labor depend on the quantity of labor required to produce wages; or,—to give him the benefit of his own language, he maintains that the value of labor is to be estimated by the quantity of labor required to produce wages; by which he means the quantity of labor required to produce the money or commodities given to the laborer.’

21 ctd „Durch eine geschickte Wendung macht deshalb Ricardo den Wert der Arbeit abhängig von der Menge der Arbeit, die zur Produktion des Lohnes erforderlich ist; oder, um mit seinen eigenen Worten zu sprechen, er behauptet, daß der Wert der Arbeit nach der Arbeitsmenge zu schätzen sei, die zur Produktion des Lohnes benötigt wird; worunter er die Arbeitsmenge versteht, die zur Produktion des Geldes oder der Ware notwendig ist, die dem Arbeiter gegeben werden.“

↑ Bailey considers this step an evasion. Marx will discuss this same step in the main text in [677:3/oo](#). In Marx's interpretation, Ricardo unconsciously did the right thing, namely, make the step from labor to labor-power. ↓ Not recognizing this kernel of truth in Ricardo's maneuver, Bailey mistakes it for a primitive logical blunder. But arguably Bailey is the one who is blundering by bringing in an inappropriate metaphor:

21 ctd ‘This is similar to saying, that the value of cloth is estimated, not by the quantity of labor bestowed on its production, but by the quantity of labor bestowed on the production of the silver, for which the cloth is exchanged’ [Bai25, pp. 50, 51].

21 ctd „Gerade so gut könnte man sagen, daß der Wert von Tuch nicht nach der zu seiner Produktion verwandten Arbeitsmenge geschätzt werde, sondern nach der Arbeitsmenge, die zur Produktion des Silbers verwandt wurde, gegen welches das Tuch eingetauscht wird.“ [Bai25, pp. 50, 51].

Question 718 (*Tue Nov 9–Thu Nov 11*) Bailey says: *Defining the value of labor by the labor going into the things the worker can buy with his wages is like defining the value of cloth by the labor going into the silver for which the cloth is exchanged. Is this the right analogy?* [2004fa](#), [2002fa](#), [1997WI](#).

Question 719 (*Tue Nov 9–Thu Nov 11*) *If labor cannot have value, does this mean labor is not a commodity?* [2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#), [2007SP](#).

19.1.b. [Practical Reasons why Labor Cannot be a Commodity]

In addition to the above theoretical argument that labor cannot have value, Marx brings now arguments why labor cannot be a commodity:

675:3 In any case, if labor were to be sold as a commodity in the market, it would have to exist before being sold.

558:1 Um als Ware auf dem Markt verkauft zu werden, müßte die Arbeit jedenfalls existieren, bevor sie verkauft wird.

The meaning of the word *jedenfalls* in this context is:

“whether or not you agree with my earlier abstract reasoning, you will have to agree with me on these practical matters.”

↑ Such practicalities are not extraneous. It is essential for the concept of value that value can be expressed on the market place. ↓ The next sentence argues that this practical impossibility has a deep reason:

But if the worker were able to endow it with an independent existence, he would be selling a commodity, and not labor.²²

Könnte der Arbeiter ihr aber eine selbständige Existenz geben, so würde er Ware verkaufen und nicht Arbeit.²²

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If the laborer had access to the means of production (which is what would allow him to give his labor an “independent existence”), then he would not be a laborer but sell his product. Here we see the grim social reality behind the logical distinction between labor, the source of value, and commodities, which have value: since the laborer does not have access to the means of production, he is barred from benefitting from his labor. Marx will hint at these connections also in footnote 26 to 677:2.

Marx’s arguments always have the unspoken solution in the background: if one replaces “price of labor” by “price of labor-power,” then these logical contradictions and mystifications disappear. Of course, the *social* contradiction, that the laborer is excluded from the means of production, is not resolved by this; but at least this replacement gives us the theoretical categories to understand this situation.

Exam Question 720 *Why can the laborer not use her labor-power to produce commodities and sell them, instead of selling her labor-power?* 2008fa, 2007fa, 2007SP, 2005fa, 2004fa, 2003fa, 2002fa, 2001fa, 1997sp, 1997WI, 1996ut, 1996sp, 1995ut.

19.1.c. [Exchange of More for Less Labor Cannot Explain Capitalism]

676:1 Even if one disregards these contradictions, ...

Marx is about to give two more arguments. They have a different character. They fall under point 2 above. Instead of saying that labor cannot be a commodity, they say: a theory according to which the commodity which the worker exchanges is labor would either be inconsistent with the labor theory of value, or it would be unable to explain the striking phenomena of capitalism which need an explanation.

... a direct exchange of money, i.e. of objectified labor, with living labor, would either supersede the law of value, which only begins to develop freely on the basis of capitalist production, or supersede capitalist production itself, which rests directly on wage labor.

558:2 Von diesen Widersprüchen absehn, ...

... würde ein direkter Austausch von Geld, d.h. vergegenständlichter Arbeit, mit lebendiger Arbeit entweder das Wertgesetz aufheben, welches sich grade erst auf Grundlage der kapitalistischen Produktion frei entwickelt, oder die kapitalistische Produktion selbst aufheben, welche grade auf der Lohnarbeit beruht.

This claim cries out for an elaboration. Such an elaboration is given next, but the order is reversed. The first of the two alternatives which Marx is about to discuss is the supersession of capitalism, and the second the supersession of the law of value. Both alternatives take as their starting point the observation at the beginning of 675:2 that if labor is traded as a commodity then its value is the value this labor creates.

The working day of 12 hours is represented in a monetary value of, for example, \$1.44. There are two alternatives. Either equivalents are exchanged, and then the worker receives \$1.44 for 12 hours of labor; the price of his labor would be equal to the price of his product. In that case he produces no surplus-value for the buyer of his labor, the \$1.44 are not transformed into capital, and

Der Arbeitstag von 12 Stunden stellt sich z.B. in einem Geldwert von 6 sh. dar. Entweder werden Äquivalente ausgetauscht, und dann erhält der Arbeiter für zwölfstündige Arbeit 6 sh. Der Preis seiner Arbeit wäre gleich dem Preis seines Produkts. In diesem Fall produzierte er keinen Mehrwert für den Käufer seiner Arbeit, die 6 sh. verwandelten sich nicht in Kapital, die

19.1. [Can Labor be a Commodity?]

the basis of capitalist production vanishes. But it is precisely on that basis that he sells his labor and that his labor is wage labor. Or else he receives, in return for 12 hours of labor, less than \$1.44, i.e. less than 12 hours of labor. 12 hours of labor are exchanged for 10, 6, etc. hours of labor. By equating unequal quantities in this way, one does not only do away with the notion of value. Such a self-eliminating contradiction cannot be a law; it cannot even be enunciated or formulated as one.²³

Grundlage der kapitalistischen Produktion verschwände, aber grade auf dieser Grundlage verkauft er seine Arbeit und ist seine Arbeit Lohnarbeit. Oder er erhält für 12 Stunden Arbeit weniger als 6 sh., d.h. weniger als 12 Stunden Arbeit. Zwölf Stunden Arbeit tauschen sich aus gegen 10, 6 usw. Stunden Arbeit. Diese Gleichsetzung ungleicher Größen hebt nicht nur die Wertbestimmung auf. Ein solcher sich selbst aufhebender Widerspruch kann überhaupt nicht als Gesetz auch nur ausgesprochen oder formuliert werden.²³

Both translations say “self-destructive contradiction” in this last sentence. This is exactly

wrong, because it suggests an active contradiction, while Marx argues here that nonsensical

contradictions cannot be active.

If equal labor is exchanged against equal labor, then there can be no profits, but we know that capitalists do make profits. If unequal labors are exchanged, then we have an even deeper-seated contradiction: (a) this would lead to the abolition of the law of value, and (b) such an unequal exchange cannot even be formulated as a law—i.e., the exchange of more labor for less labor is not only unable to explain capitalism but it cannot be an explanation of anything.

Ad (a): The consistent violation of the law of value means that the forces counteracting the law of value are stronger than the law of value itself. From this we would have to conclude that the law of value would in capitalism eventually be superseded by these counteracting forces. There is no evidence of this, on the contrary, markets are spreading.

Ad (b): We have seen many times that Marx does not deny the existence of surface contradictions, but uses them as warning signs alerting us that hidden mechanisms are at work. But this contradiction here cannot be based on the action of a hidden mechanism. It is self-eliminating: if 12 hours of labor are exchanged against 10, then 10 hours of labor are exchanged against 9.333 hours, consequently, 12 hours are exchanged against 9.333 hours. If one continues this one finds out that everything can be exchanged against everything, i.e., there are no laws governing the exchange.

Footnote 23 illustrates this and already gives a transition to the next step in Marx's argument. Wakefield, an economist who does not believe that exchange is governed by equality of labor, can explain the exchange between capitalist and laborer only if he can find a difference between the labors which do not exchange one-to-one. And indeed, he distinguishes these labors by calling one the “antecedent” and the other the “present” labor:

²³ ‘Treating labor as a commodity, and capital, the produce of labor, as another, then, if the value of these two commodities were regulated by equal quantities of labor, a given amount of labor would . . . exchange for that quantity of capital which had been produced by the same amount of labor; antecedent labor would . . . exchange for the same amount as present labor. But the value of labor in relation to other commodities . . . is not

²³ „Wenn man Arbeit als eine Ware und Kapital, das Produkt von Arbeit, als eine andre behandelt, dann würde sich, wenn die Werte jener beiden Waren durch gleiche Arbeitsmengen bestimmt würden, eine gegebene Menge Arbeit . . . gegen eine solche Menge Kapital austauschen die durch die gleiche Arbeitsmenge erzeugt worden wäre; vergangene Arbeit würde . . . gegen die gleiche Menge eingetauscht wie gegenwärtige.

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determined by equal quantities of labor' (E. G. Wakefield, in [Smi39, v. 1, pp. 230, 231, note].)

Aber der Wert der Arbeit, im Verhältnis zu anderen Waren ... wird eben nicht durch gleiche Arbeitsmengen bestimmt.“ (E. G. Wakefield in [Smi39, v. 1, pp. 230, 231, Note].)

Question 722 (Tue Nov 9–Thu Nov 11) Do Marx's arguments that labor cannot have value also imply that services (i.e., a haircut) cannot have value? 2009fa, 2008fa, 2007fa, 2007SP, 2005fa, 2004fa, 2003fa, 2002fa, 2001fa, 2000fa.

Marx's conclusion in this subsection is that a theory which holds that the laborer is selling *labor* to the capitalist cannot explain capitalism. Surplus-value can be explained in the framework of commodity exchange only if that what the laborer exchanges with the capitalist is not labor. Because if the worker gives labor, then the laws of commodity exchange cannot explain why the capitalist gives back to the worker less labor than he receives.

Question 723 (Tue Nov 9–Thu Nov 11) Why does Marx give so many different reasons why wages are not derived from the value of labor? Isn't one reason enough? 2007SP.

19.1.d. [Living Versus Objectified Labor Cannot Explain the Discrepancy]

It is tempting to explain this quantitative difference as follows: The labor which the worker gives the capitalist is living labor, and the labor the capitalist pays the worker in the form of money is objectified labor. This theme already came up in footnote number 23 to paragraph 676:1. Marx argues now that the difference between objectified and living labor *cannot* be the explanation of the exchange of more labor against less:

676:2/o Attributing the exchange of more labor against less to the differences in form—one piece of labor being objectified, the other living²⁴—won't help either.

558:3/o Es nützt nichts, den Austausch von mehr gegen weniger Arbeit aus dem Formunterschied herzuleiten, daß sie das eine Mal vergegenständlicht, das andre Mal lebendig ist.²⁴

This formulation is already a refutation: The difference between living and objectified labor is merely a difference in *form*—and by giving something a different *form* one does not change its *quantity*. When living labor is materialized in a product and becomes objectified labor, it does not suddenly become more labor; it is still the same amount of labor, just in a different form. Just as the melting of ice cubes does not change the quantity of water of which they consist.

Marx clinches his argument by pointing out that only *living* labor counts in the determination of the magnitude of value. In the water—ice analogy this would correspond to a proof that not the solidity of the ice cube, but the material of which it is made matters for the situation at hand.

This suggestion is even more absurd if one keeps in mind that the value of a commodity is determined not by the quantity of labor actually objectified in it, but by the quantity of living labor necessary to produce it. A commodity represents, say, 6 hours of labor. If an invention is made by which it can be produced in 3 hours, its value falls by half,

Dies ist um so abgeschmackter, als der Wert einer Ware nicht durch das Quantum wirklich in ihr vergegenständlicher, sondern durch das Quantum der zu ihrer Produktion notwendigen lebendigen Arbeit bestimmt wird. Eine Ware stelle 6 Arbeitsstunden dar. Werden Erfindungen gemacht, wodurch sie in 3 Stunden produziert werden kann, so

19.2. [Value of Labor Imaginary]

even if the commodity is already produced. It now represents 3 hours of socially necessary labor instead of the former 6. It is therefore the amount of labor required to produce it, not the objectified form of that labor, which determines the magnitude of value of a commodity.

This last sentence sounds a little awkward because Marx chooses a formulation which drives home the point once more that form differences cannot give rise to quantitative differences. A more straightforward formulation, not overloaded with this methodological hint, would be:

It is therefore the amount of living labor required to produce it, not the amount of labor already objectified in the commodity, which determines the magnitude of its value.

Marx's response to the objectified-labor subterfuge has turned into a counterattack: far from counting more than living labor, objectified labor has *no* power at all to determine market prices. If a product contains 500 hours, and a new method is developed to produce the same product in 50 hours, then 450 hours go out of the window. The magnitude of value is not a reward for the *past* effort of the producer, but an allocation of society's *present* labor-time. Marx's refutation of the dead labor—living labor hypothesis highlights an important specific fact about the law of value which has not always been sufficiently emphasized.

Question 724 (Tue Nov 9–Thu Nov 11) *Why can the inequality in the exchange between worker and capitalist not be explained by the fact that the worker represents living labor, and the capitalist objectified labor?* [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#), [1999SP](#), [1998WI](#), [1997WI](#), [1996sp](#), [1995WI](#).

Question 726 (Tue Nov 9–Thu Nov 11) *Marx argues that the value of a commodity is not determined by the dead labor in it but by the living labor needed to reproduce it. Can one not argue in the same spirit that exchange-value is not determined by labor at all? The labor producing the product no longer exists, and something that does not exist cannot have an effect either. Dead labor is, as the word says, dead. The only thing that exists on the market place is the product itself. Doesn't this mean that the exchange-value of the product must be determined by its use-value?*

Question 727 (Tue Nov 9–Thu Nov 11) *Don't all the contradictions in the concept of “value of labor” described here come from the fallacious attempt to derive the value of something from its use-value?* [2005fa](#), [1996sp](#).

sinkt der Wert auch der bereits produzierten Ware um die Hälfte. Sie stellt jetzt 3 statt früher 6 Stunden notwendige gesellschaftliche Arbeit dar. Es ist also das zu ihrer Produktion erheischte Quantum Arbeit, nicht deren gegenständliche Form, wodurch ihre Wertgröße bestimmt wird.

19.2. [Value of Labor as an Imaginary Expression]

Until now, Marx showed that the naïve approach leads to conclusions which contradict our other knowledge and cannot explain the facts. Now he supplies his own explanation. He starts with a closer look at the exchange process, paying attention to what exactly it is that is being exchanged:

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677:1 That which comes directly face to face with the money owner on the market, is in fact not labor, but the laborer. What the latter sells is his labor-power.

The shoemaker does not have to be present in person in order to sell his shoes; often he will give his shoes to a merchant who sells them for him. Not so with the laborer. He must be present in person—because he does not sell his labor but his labor-power, which is materialized in his own person.

After this closer look at the market, Marx also takes a closer look at the consumption of labor-power, i.e., the *production process*, in order to collect additional evidence that labor is not what is being exchanged:

As soon as his labor begins, it has already ceased to belong to him; it can therefore no longer be sold by him.

↑ The laborer has to obey the commands of the capitalist, i.e., the labor he performs is no longer belongs to him.

↓ If labor is not what is exchanged then what are we to think of the *value* of labor?

Labor is the substance, the immanent measure of value, but has itself no value.²⁵

²⁵ ‘Labor the exclusive standard of value ... the creator of all wealth, no commodity’ (Thomas Hodgskin, [Hod27, p. 186]).

“Value of labor” is therefore the value of something which is not exchanged and cannot have value. But we did not make up the concept “value of labor.” We found it on the surface of the economy, since workers are indeed paid for their labor. Our goal is to find a rational explanation for this seemingly irrational phenomenon. The passage from *Value, Price and Profit*, p. [mecw20]128:0, cited on p. 457 above, continues as follows:

Of course, having once found out the true but hidden sense of the expression “*Value of Labor*,” we shall be able to interpret this irrational, and seemingly impossible application of value, in the same way that, having once made sure of the real movement of the celestial bodies, we shall be able to explain their apparent or merely phenomenal movements. [mecw20]128:0

The metaphor with the celestial bodies was also used in chapter Twelve, p. 433:1. On the current place in *Capital*, Marx brings a different also extremely interesting analogy for his desired explanation of a seemingly contradictory surface phenomenon: the mathematical construct of imaginary numbers.

677:2 In the expression ‘value of labor’, the concept of value is not only altogether extinguished, but it is turned into its opposite. It is an imaginary expression, like, say, ‘value of the earth’.

The Fowkes translation: “It is an expression as imaginary as the

value of the earth.” does not capture the positive aspect which

will be the take-off point for the next step in the development:

559:1 Was dem Geldbesitzer auf dem Warenamarkt direkt gegenübertritt, ist in der Tat nicht die Arbeit, sondern der Arbeiter. Was letzter verkauft, ist seine Arbeitskraft.

Sobald seine Arbeit wirklich beginnt, hat sie bereits aufgehört, ihm zu gehören, kann also nicht mehr von ihm verkauft werden.

Die Arbeit ist die Substanz und das immanente Maß der Werte, aber sie selbst hat keinen Wert.²⁵

²⁵ Arbeit, der ausschließliche Maßstab des Wertes ... die Schöpferin allen Reichtums, ist keine Ware.“ (Th. Hodgskin, [Hod27, p. 186].)

559:2 Im Ausdruck: „Wert der Arbeit“ ist der Wertbegriff nicht nur völlig ausgelöscht, sondern in sein Gegenteil verkehrt. Es ist ein imaginärer Ausdruck, wie etwa Wert der Erde.

“Value of earth” or “value of labor” are values of things which do not have value. (This is discussed in chapter Three, 197:1). The comparison with imaginary numbers is fitting,

19.2. [Value of Labor Imaginary]

because an imaginary number is the square root of a number which does not have a square root. Nevertheless, mathematicians come to powerful conclusions using imaginary numbers, just working with them as if they were actual numbers. From the mathematics of imaginary numbers, Marx draws the following lesson: the phenomena which, as we have seen, are not the direct reflections of the underlying relations, must be studied in their own right. Even though they are categories which only live on the surface, their origin is still in the deep structure of the economy:

These imaginary expressions however are expressions which arise from the relations of production themselves. They are categories for the forms of appearance of essential relations.

↓ There are many other examples that things are different than what they appear.
That in their appearance things often represent themselves in an inverted manner is commonly understood in just about every science, except in political economy.²⁶

Diese imaginären Ausdrücke entspringen jedoch aus den Produktionsverhältnissen selbst. Sie sind Kategorien für Erscheinungsformen wesentlicher Verhältnisse.

Daß in der Erscheinung die Dinge sich oft verkehrt darstellen, ist ziemlich in allen Wissenschaften bekannt, außer in der politischen Ökonomie.²⁶

Fowkes has: "That in their appearance things are often presented in an inverted way is something fairly familiar in just about every science, apart from political economy." Although Fowkes apparently meant to say that in addition to political economy, every other science makes mistakes too, the translation as it stands almost sounds like:

every science makes mistakes except political economy. Both of those are far from what Marx intended to say.
The Moore-Aveling translation is much better: "That in their appearance things often represent themselves in inverted form is pretty well known in every science, except in political economy."

Marx meant to say: all other sciences know and take it for granted that there is a difference between appearance and the real underlying forces (which science tries to uncover), but political economy, meaning here mainstream economics, does not know this: they take the appearances at face value.

Footnote 26 underscores the necessity to discuss even those forms which seem to be logically impossible. Marx cites Proudhon as an example of someone who does not recognize the "grim reality" (*furchtbare Realität*) lurking behind the seemingly logical impossibility of a "value of labor" and instead declares the expression "value of labor" a poetic license, i.e., a word which does not refer to anything in the real world.

²⁶ On the other hand, the attempt to explain such expressions as merely poetic licence only shows the impotence of the analysis. Hence, in answer to Proudhon's phrase, 'Labor is said to have value not as a commodity itself, but in view of the values which it is supposed potentially to contain. The value of labor is a figurative expression', etc., I have remarked 'In labor as a commodity, which is a grim reality, he' (Proudhon) 'sees nothing but a grammatical ellipsis. Thus the whole of existing society, founded on labor as a commodity, is henceforth founded on a poetic licence, a figurative expression. If society wants to "eliminate all the drawbacks" that assail it, well, let it eliminate all the ill-sounding terms, change the language; and to this end it has only

²⁶ Solche Ausdrücke dagegen für bloße licentia poetica zu erklären, zeigt nur die Ohnmacht der Analyse. Gegen Proudhons Phrase: „Man sagt von der Arbeit, daß sie einen Wert hat, nicht als eigentliche Ware, sondern im Hinblick auf die Werte, welche man in ihr potentiell enthalten annimmt. Der Wert der Arbeit ist ein figürlicher Ausdruck etc.“, bemerke ich daher: „Er sieht in der Ware Arbeit, die eine furchtbare Realität ist, nur eine grammatische Ellipse. Demgemäß ist die ganze heutige, auf den Warencharakter der Arbeit begründete Gesellschaft von jetzt an eine poetische Lizenz, auf einen figürlichen Ausdruck begründet. Will die Gesellschaft „alle Unzuträglichkeiten ausmerzen“, unter denen sie zu leiden hat, nun, so merze sie die anstößigen Aus-

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to apply to the *Académie* for a new edition of its dictionary' (K. Marx, *The Poverty of Philosophy*, [mecw6]129.)

From ‘poetic licence’ there is only a small step to ‘nothing at all’, which leads us to the king of platitudes, J. B. Say. The footnote concludes with a careful documentation of the circularity in Say’s arguments:

26 ctd Of course it is still more convenient to understand by value nothing at all. Then one can without difficulty subsume everything under this category. Thus, for instance, J. B. Say asks ‘What is value?’ Answer: ‘It is what a thing is worth.’ What is price? ‘The value of a thing expressed in money.’ And why has ‘labor on the land … a value?’ ‘Because a price is put upon it.’ Therefore value is what a thing is worth, and the land has its ‘value’ because its value is ‘expressed in money’. This is certainly a very simple way of explaining the why and wherefore of things.

drücke aus, so ändere sie die Sprache, und sie braucht sich zu diesem Behufe nur an die Akademie zu wenden, um von ihr eine neue Ausgabe ihres Wörterbuchs zu verlangen.“ (K. Marx, „Misère de la Philosophie“, [mecw6]129.)

26 ctd Noch bequemer ist es natürlich, sich unter Wert gar nichts zu denken. Man kann dann ohne Umstände alles unter diese Kategorie subsumieren. So z.B. J. B. Say. Was ist „valeur“? Antwort: „Das, was eine Sache wert ist“ und was ist „prix“? Antwort: „Der Wert einer Sache ausgedrückt in Geld.“ Und warum hat die Arbeit der Erde … einen Wert? Weil man ihr einen Preis zuerkennt. Also Wert ist, was ein Ding wert ist, und die Erde hat einen „Wert“, weil man ihren Wert „in Geld ausdrückt“. Dies ist jedenfalls eine sehr einfache Methode, sich über das why und wherefore der Dinge zu verstündigen.

19.3. [From Value of Labor-Power to Value of Labor]

After arguing that it is legitimate and indeed necessary to look at the surface phenomenon “value of labor” even though we know that labor itself cannot have value, Marx now follows the derivation of the value of labor by the classical economists step by step, in order to find the exact point where they made an error.

677:3/oo Classical political economy borrowed the category ‘price of labor’ from everyday life without further criticism, and then afterwards asked the question, how is this price determined?

↑ Classical economists did not see the logical impossibility that labor, the source of value, cannot have value itself. They went at it in a standard and ultimately naïve fashion. Their first impulse was to explain the price of labor by demand and supply:

It soon recognized that changes in the relation between demand and supply explained, with regard to the price of labor, as is true with regard to any other commodity, nothing except the changes in the prices, i.e. the oscillations of the market price above or below a certain mean. If demand and supply are in balance, the oscillation of prices ceases (as long as all other circumstances remain the same). At the same time, demand and supply cease to be forces which explain anything.

559:3/oo Die klassische politische Ökonomie entlehnte dem Alltagsleben ohne weitere Kritik die Kategorie „Preis der Arbeit“, um sich dann hinterher zu fragen, wie wird dieser Preis bestimmt?

Sie erkannte bald, daß der Wechsel im Verhältnis von Nachfrage und Angebot für den Preis der Arbeit, wie für den jeder andren Ware, nichts erklärt außer seinem Wechsel, d.h. die Schwankung der Marktpreise unter oder über eine gewisse Größe. Decken sich Nachfrage und Angebot, so hört, unter sonst gleichbleibenden Umständen, die Preisoszillation auf. Aber dann hören auch Nachfrage und Angebot auf, irgend etwas zu erklären.

Question 733 (Tue Nov 9–Thu Nov 11) Marx says: if demand and supply coincide then they are unable to explain prices. What would a mainstream economist say about this? 2008fa.

The price of labor, when demand and supply are in balance, is its natural price, determined independently of the relation of demand and supply. The natural price was thus found to be the object which actually had to be analysed.

Their attempts to explain the price of labor by market forces led them to the concept of the natural price of labor, and then they shifted their focus: they realized that it was necessary to explain the natural price. Next, Marx gives an alternative approach which does not begin with the surface *mechanisms* of demand and supply but with the empirical *data* of prices over time, and which comes to the same conclusion:

Or a longer period of oscillation in the market price was taken, for example a year, and the oscillations were found to cancel each other out, moving around an average quantity in the middle, a constant magnitude—which, of course, had to be determined otherwise than by the mutually compensating variations from it.

↑ Marx apparently assumes that a time series of prices is not a random walk, but that a certain reversal to the mean is taking place. This mean is the systematic component of the time series, the natural price, which needs to be explained. ↓ This natural price is not determined by circulation but by something inside the commodity, i.e., by the value of the commodity.

This price, overarching over the accidental market prices of labor and regulating them, this ‘necessary price’ (according to the Physiocrats) or ‘natural price’ of labor (according to Adam Smith) can only be its value expressed in money, as that of all other commodities. This is how the political economists believed they were penetrating through the accidental prices of labor to the value of labor.

↓ At this point, Marx would have said: “Oops, since labor is the source of all value, it cannot have its own value, something must be wrong here.” The other classical economists, by contrast, said: “value is determined by cost of production, and the production cost of labor are the means of subsistence of the laborer.”

As with other commodities, this value was then further determined by the cost of production. But what is the cost of production ... of the *worker*, i.e. the cost of producing or reproducing the worker himself? The political economists unconsciously substituted this question for the original one, for their

Der Preis der Arbeit, wenn Nachfrage und Angebot sich decken, ist ihr vom Verhältnis der Nachfrage und Angebot unabhängig bestimmter, ihr natürlicher Preis, der so als der eigentlich zu analysierende Gegenstand gefunden ward.

Oder man nahm eine längere Periode der Schwankungen des Marktpreises, z.B. ein Jahr und fand dann, daß sich ihr Auf und Ab ausgleicht zu einer mittleren Durchschnittsgröße, einer konstanten Größe. Sie mußte natürlich anders bestimmt werden als die sich kompensierenden Abweichungen von ihr selbst.

Dieser über die zufälligen Marktpreise der Arbeit übergreifende und sie regulierende Preis, der „notwendige Preis“ (Physiokraten) oder „natürliche Preis“ der Arbeit (Adam Smith) kann, wie bei andren Waren, nur ihr in Geld ausgedrückter Wert sein. In dieser Art glaubte die politische Ökonomie durch die zufälligen Preise der Arbeit zu ihrem Wert vorzudringen.

Wie bei den andren Waren wurde dieser Wert dann weiter durch die Produktionskosten bestimmt. Aber was sind die Produktionskosten—des Arbeiters, d.h. die Kosten, um den Arbeiter selbst zu produzieren oder zu reproduzieren? Diese Frage schob sich der politischen Ökonomie be-

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search after the cost of production of labor as such led them in a circle and did not allow them to move forward.

Instinctively shunning the explanation that the value of 1 hour of labor = 1 hour of labor, classical economists substitute, without being aware of it, value of labor *power* for value of labor.

Therefore what they called the ‘value of labor’ is in fact the value of labor-power, as it exists in the person of the worker, and it is as different from its function, labor, as a machine is from the operations it performs.

Marx continues that classical Political Economy never discovered its error, and that it got entangled in unresolvable confusions and contradictions because of it:

Because they were concerned with the difference between the market price of labor and its so-called value, with the relation of this value to the rate of profit and to the values of the commodities produced by means of labor, etc., they never discovered that the course of the analysis had led not only from the market prices of labor to its presumed value, but also led them to reduce this value of labor itself to the value of labor-power. Classical political economy’s unconsciousness of this result of its own analysis and its uncritical acceptance of the categories ‘value of labor’, ‘natural price of labor’, etc. as the ultimate and adequate expression for the value relation under consideration, led it into unresolvable confusions and contradictions, as will be seen later. However to the vulgar economists, who make it a principle to worship appearances only, it offered a secure base for their shallow operations.

↑ The difficulties which classical economy had to go beneath the surface, led to a strengthening of vulgar economics, which never even tried to go beneath the surface.

Now Marx makes that step consciously and in detail which bourgeois political economy made unconsciously and in passing.

679:1 Let us first see how the value (and the price) of labor-power represent themselves in this transmuted form as wage of labor.

Marx starts with the value of labor *power* and derives from it the value of labor. How can the wage of one hour of *labor* be derived from the daily value of *labor-power*?

679:2 We know that the daily value of

wußtlos für die ursprüngliche unter, da sie mit den Produktionskosten der Arbeit als solcher sich im Kreise drehte und nicht vom Flecke kam.

Was sie also Wert der Arbeit (value of labour) nennt, ist in der Tat der Wert der Arbeitskraft, die in der Persönlichkeit des Arbeiters existiert und von ihrer Funktion, der Arbeit, ebenso verschieden ist wie eine Maschine von ihren Operationen.

Beschäftigt mit dem Unterschied zwischen den Marktpreisen der Arbeit und ihrem sog. Wert, mit dem Verhältnis dieses Werts zur Profitrate, zu den vermittelst der Arbeit produzierten Warenwerten usw., entdeckte man niemals, daß der Gang der Analyse nicht nur von den Marktpreisen der Arbeit zu ihrem vermeintlichen Wert, sondern dahin geführt hatte, diesen Wert der Arbeit selbst wieder aufzulösen in den Wert der Arbeitskraft. Die Bewußtlosigkeit über dies Resultat ihrer eignen Analyse, die kritiklose Annahme der Kategorien „Wert der Arbeit“, „natürlicher Preis der Arbeit“ usw. als letzter adäquater Ausdrücke des behandelten Wertverhältnisses, verwinkelte, wie man später sehn wird, die klassische politische Ökonomie in unauflösbare Wirren und Widersprüche, während sie der Vulgärökonomie eine sichere Operationsbasis für ihre prinzipiell nur dem Schein huldigende Flachheit bot.

561:1 Sehn wir nun zunächst, wie Wert und Preise der Arbeitskraft sich in ihrer verwandelten Form als Arbeitslohn darstellen.

561:2 Man weiß, daß der Tageswert der

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labor-power is calculated upon a certain length of the worker's life, which is associated, in turn, with a certain length of the working day.

Arbeitskraft berechnet ist auf eine gewisse Lebensdauer des Arbeiters, welcher eine gewisse Länge des Arbeitstags entspricht.

Fowkes reverses the correspondence: "and that this corresponds, in turn, to a certain

length of the working day." Moore-Aveling have it right: "to which, again, corresponds a

certain length of the working day."

In chapter Six, Marx discusses how the daily wage of labor-power is derived. Briefly, the cost of living, including bringing up one's children, educational costs, etc., are prorated on a daily basis. Marx does not recapitulate this here but mentions only one aspect of this calculation which is relevant here: the overall life expectancy of the worker is needed so that the costs of childrearing and educational costs can be prorated. If a laborer lives longer, then part of his or her wage covering those fixed life expenses can be less. On the other hand, however, in order to achieve this life expectancy, the length (and intensity) of the working day cannot be excessive. At Marx's time many workers were literally worked to death, see chapter Ten, p. 366:1/o. This is the correspondence between life expectancy and length of working day Marx speaks about here.

Assume that the usual working day is 12 hours and the daily value of labor-power 3 shillings, which is the expression in money of a value embodying 6 hours of labor. If the worker receives 3 shillings, then he receives the value of his labor-power, which functions through 12 hours. If this value of a day's labor-power is now expressed as the value of a day's labor itself, we have the formula: 12 hours of labor has a value of 3 shillings.

Nimm an, der gewohnheitsmäßige Arbeitsstag betrage 12 Stunden und der Tageswert der Arbeitskraft 3 sh., der Geldausdruck eines Werts, worin sich 6 Arbeitsstunden darstellen. Erhält der Arbeiter 3 sh., so erhält er den Wert seiner während 12 Stunden funktionierenden Arbeitskraft. Wird nun dieser Tageswert der Arbeitskraft als Wert der Tagesarbeit ausgedrückt, so ergibt sich die Formel: Die zwölfstündige Arbeit hat einen Wert von 3 sh.

↑ The magnitude of value of one hour of labor is therefore derived from the magnitude of value of labor-power by a simple but thoroughly unexpected formula: take the daily value of labor-power as it was derived in chapter Six, see 276:2, and divide it by the number of hours the laborer is working. The unexpected nature of this formula was aptly illustrated as follows by Anthony Brewer in [Bre84, p. 64]: it is as if the price of a horse was quoted at so much per leg, and then multiplied by four to find the price per horse.

This formula and its implications will be discussed in much more detail in the next chapter, 683:4/o, and the corresponding formula for piece wages in the chapter following the next, 693:1. The present chapter is more interested in the relationship between the wage form and its underlying essence than in the wage form itself—although Marx could not help saying something specific to one of the forms, time wage, when answering the important quantitative question.

↓ But Marx hurries on with the remark that not only the "necessary price" of labor but also the deviations of the actual from the necessary price is determined by labor-power:

The value of labor-power thus determines the value of labor, or, expressed in money, its necessary price. If, on the other hand, the price of labor-power differs from its value,

Der Wert der Arbeitskraft bestimmt so den Wert der Arbeit oder, in Geld ausgedrückt, ihren notwendigen Preis. Weicht dagegen der Preis der Arbeitskraft von ihrem Wert

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then the price of labor will also differ from its so-called value.

↓ Since the value of labor is derived from the value of labor-power, one cannot expect that the value of one hour of labor is the same as the value created by one hour of labor. And given the relationship between capitalist and worker, we know which of these two quantities is smaller:

679:3/o Since the value of labor is only an incongruous expression for the value of labor-power, it follows by itself that the value of labor must always be less than its value-product, for the capitalist always makes labor-power work longer than is necessary for the reproduction of its own value. In the above example, the value of labor-power functioning for 12 hours is 72 cents, which requires 6 hours for its reproduction. The value which the labor-power produces is however \$1.44, because it does function during the 12 hours, and its value-product depends not on its own value but on the length of time it is in action.

What is translated here with “incongruous” is in German “*irrationell*,” which should be distinguished from the German “*irrational*.” It is not something that cannot be explained, or that does not follow reason, but it is something whose explanation is so un-obvious and misleading that those engaged in those surface relations are prevented from understanding what is really going on. It fosters illusions instead of rational behavior.

Question 735 (*Tue Nov 9–Thu Nov 11*) Marx says in 679:3/o: Since the “value of labor” is only an incongruous expression of the value of labor-power it follows “by itself” that the value of labor must be smaller than its value-product. How does this follow? 2007fa, 2003fa, 2002fa.

Exam Question 736 How is the “value of labor” derived from the value of labor-power? Compare the “value of labor” thus obtained with the value of the product of the labor. 2009fa, 2008fa, 2007fa, 2005fa, 2004fa, 2002fa, 1997ut, 1996ut, 1996sp, 1995WI.

This is the rational explanation of something seemingly absurd:

Thus we reach a result which seems at first sight absurd: labor which creates a value of \$1.44 possesses a value of 72 cents.²⁷

²⁷ Cf. *Contribution to the Critique of Political Economy*, [mecw29]302:0, where I state that, in my analysis of capital, I shall solve the following problem: ‘how does production on the basis of exchange-value solely determined by labor-time lead to the result that the exchange-value of labor is less than the exchange-value of its product?’

Now an important implication for ideology:

ab, so ebenfalls der Preis der Arbeit von ihrem sog. Wert.

561:3/o Da der Wert der Arbeit nur ein irrationeller Ausdruck für den Wert der Arbeitskraft, ergibt sich von selbst, daß der Wert der Arbeit stets kleiner sein muß als ihr Wertprodukt, denn der Kapitalist läßt die Arbeitskraft stets länger funktionieren, als zur Reproduktion ihres eignen Werts nötig ist. Im obigen Beispiel ist der Wert der während 12 Stunden funktionierenden Arbeitskraft 3 sh., ein Wert, zu dessen Reproduktion sie 6 Stunden braucht. Ihr Wertprodukt ist dagegen 6 sh., weil sie in der Tat während 12 Stunden funktioniert, und ihr Wertprodukt nicht von ihrem eignen Werte, sondern von der Zeitspanne ihrer Funktion abhängt.

Man erhält so das auf den ersten Blick abgeschmackte Resultat, daß Arbeit, die einen Wert von 6 sh. schafft, einen Wert von 3 sh. besitzt.²⁷

²⁷ Vgl. „Zur Kritik der politischen Ökonomie“, [mecw29]302:0, wo ich ankündige, daß bei Betrachtung des Kapitals das Problem gelöst werden soll: „Wie führt Produktion auf Basis des durch bloße Arbeitszeit bestimmten Tauschwerts zum Resultat, daß der Tauschwert der Arbeit kleiner ist als der Tauschwert ihres Produkts?“

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680:1 We see, further: the value of 72 cents, in which the paid portion of the working day, i.e. 6 hours of labor, represents itself, appears as the value or price of the whole working day of 12 hours, which thus includes 6 hours which were not paid for. The wage-form thus extinguishes every trace of the division of working day into necessary labor and surplus labor, into paid labor and unpaid labor. All labor appears as paid labor.

↑ In capitalism, all labor seems to be fully paid. ↓ Marx contrasts this with corvée labor (in which paid and unpaid labor are clearly distinguished) and slave labor (in which all labor seems to be unpaid).

Under the corvée system it is different. There the labor of the serf for himself, and his compulsory labor for the lord of the land, are demarcated very clearly both in space and time. In slave labor, even the part of the working day in which the slave is only replacing the value of his own means of subsistence, in which he therefore actually works for himself alone, appears as labor for his master. All his labor appears as unpaid labour.²⁸ In wage-labor, on the contrary, even surplus-labor, or unpaid labor, appears as paid. In the one case, the property-relation conceals the slave's labor for himself; in the other case the money-relation conceals the uncompensated labor of the wage-laborer.

↓ Marx adduces the *Morning Star* as evidence that slave labor seems to be entirely unpaid.

²⁸ The *Morning Star*, a London free-trade organ which is so naïve as to be positively foolish, protested again and again during the American Civil War, with all the moral indignation of which man is capable, that the Negroes in the 'Confederate States' worked absolutely for nothing. It should have compared the daily cost of a Negro in the southern states with that of a free worker in the East End of London.

↓ But let's come back to capitalism, in which all labor seems to be paid.

680:2 We may therefore understand the decisive importance of the transformation of the value and price of labor-power into the form of wages, or into the value and price of labor itself.

↑ Marx calls this "decisively important" because capital could not function if exploita-

562:1 Man sieht ferner: Der Wert von 3 sh., worin sich der bezahlte Teil des Arbeitstags, d.h. sechsständige Arbeit darstellt, erscheint als Wert oder Preis des Gesamtarbeitstags von 12 Stunden, welcher 6 unbezahlte Stunden enthält. Die Form des Arbeitslohns löscht also jede Spur der Teilung des Arbeitstags in notwendige Arbeit und Mehrarbeit, in bezahlte und unbezahlte Arbeit aus. Alle Arbeit erscheint als bezahlte Arbeit.

Bei der Fronarbeit unterscheiden sich räumlich und zeitlich, handgreiflich sinnlich, die Arbeit des Fröners für sich selbst und seine Zwangsarbeit für den Grundherrn. Bei der Sklavenarbeit erscheint selbst der Teil des Arbeitstags, worin der Sklave nur den Wert seiner eigenen Lebensmittel ersetzt, den er in der Tat also für sich selbst arbeitet, als Arbeit für seinen Meister. Alle seine Arbeit erscheint als unbezahlte Arbeit.²⁸ Bei der Lohnarbeit erscheint umgekehrt selbst die Mehrarbeit oder unbezahlte Arbeit als bezahlt. Dort verbirgt das Eigentumsverhältnis das Fürsichselbstarbeiten des Sklaven, hier das Geldverhältnis das Umsonstarbeiten des Lohnarbeiters.

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²⁸ Der „Morning Star“, ein bis zur Albertheit naives Londoner Freihandelsorgan, beteuerte während des Amerikanischen Bürgerkriegs wieder und wieder mit aller menschenmöglichen moralischen Entrüstung, daß die Neger in den „Confederate States“ ganz umsonst arbeiteten. Es hätte gefälligst die Tageskosten eines solchen Negers mit denen des freien Arbeiters im East End von London z.B. vergleichen sollen.

↓ But let's come back to capitalism, in which all labor seems to be paid.

562:2 Man begreift daher die entscheidende Wichtigkeit der Verwandlung von Wert und Preis der Arbeitskraft in die Form des Arbeitslohns oder in Wert und Preis der Arbeit selbst.

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tion was clearly visible to all. ↓ Marx does not say this here, but instead makes the following famous and very strong statement:

This form of appearance, which renders the real relation invisible and indeed presents to the eye the precise opposite of that relation, is the basis of all notions of justice of both laborer and capitalist, of all the mystifications of the capitalist mode of production, of all its illusions as to liberty, of all the apologetic shifts of the vulgar economists.

Auf dieser Erscheinungsform, die das wirkliche Verhältnis unsichtbar macht und grade sein Gegenteil zeigt, beruhen alle Rechtsvorstellungen des Arbeiters wie des Kapitalisten, alle Mystifikationen der kapitalistischen Produktionsweise, alle ihre Freiheitsillusionen, alle apologetischen Flausen der Vulgärökonomie.

Question 739 (Tue Nov 9–Thu Nov 11) *Why is the transformation of the value (resp. price) of labor-power into the value (resp. price) of labor the basis of “all mystifications of the capitalistic mode of production”?* [2005fa](#), [2004fa](#), [2003fa](#), [1999SP](#), [1996sp](#), [1995WI](#).

Question 740 (Tue Nov 9–Thu Nov 11) *Would capitalism be possible if exploitation was not hidden but clearly visible to everybody involved?* [2008fa](#), [2007fa](#), [2007SP](#).

19.4. [Necessity of the Wage Form]

Question 744 (Tue Nov 9–Thu Nov 11) *In section 1.3 of chapter One, the defects of the forms of value always led to better forms. The wage form is certainly defective. Why has it not been replaced by a better form?* [2005fa](#), [2004fa](#), [2003fa](#).

680:3 History has taken a long time to decipher the mystery of the wage form. By contrast, nothing is easier to understand than the necessity of this form of appearance, the reasons why it persists.

562:3 Braucht die Weltgeschichte viele Zeit, um hinter das Geheimnis des Arbeitslohns zu kommen, so ist dagegen nichts leichter zu verstehen als die Notwendigkeit, die *raisons d'être* dieser Erscheinungsform.

My translation “reasons why it persists” for *raisons d'être* is a

free, interpretive translation which goes beyond Marx's text.

Marx distinguishes here between two questions: (a) what is the content behind the wage form, and (b) why does this content take the form that it does. Question (a) is difficult; Marx was the first to see that the content behind the wage form is not the value of labor but the value of labor-power.

Question (b) can be reformulated as: why is the value of labor-power not treated by the economic agents as that what it is, but in the mystified form of “value of labor”? If something has a form which does not fit, then one should expect that this mis-alignment between form and content will interfere with practical activity and over time will be fixed. Obviously, such a spontaneous realignment does not occur. There must be very specific reasons that keep form and content out of sync. This is the subject of the present subsection: to identify those specific reasons which prevent the value of labor-power from showing its real face, i.e., which prevent the wage form from reverting to a form directly reflecting the underlying relation of production, namely, that the commodity bought and sold on the market is labor-power and not labor itself.

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Marx is about to enumerate several reasons, but before he even begins, he remarks in the passage we just read that “nothing is easier to understand” than the necessity of the wage form. This necessity can be argued on two levels:

- Practical reasons. Capitalists would not get any labor out of their workers otherwise.
- Preservation of the system. Since the content behind the wage bargain is the exploitation of the worker, this content cannot be expressed openly on the surface, because capitalism depends on exploitation remaining hidden.

As Bhaskar notes in [Bha89b, pp. 9, 109], the situation of the wage form is exactly the opposite of that of the value form discussed in the section about the Fetish-Like Character of the Commodity, 173:1/oo etc. Classical political economy *did* decipher the content behind the value form, but prior to Marx nobody had asked why that content took this form. Regarding the wage form, classical political economy *did not* decipher it, i.e., it fails to pinpoint the precise character of the commodity which the laborer sells to the capitalist, but it is easy to see why the transaction between laborer and capitalist must take this form.

Question 745 (*Tue Nov 9–Thu Nov 11*) Before spending two long paragraphs on the explanation why the value of labor-power persists in its mystified wage-form instead of reverting to a form more appropriate to the inner nature of labor-power, Marx says that “nothing is easier to understand” than the answer to this question. Doesn’t Marx discredit his own explanations by saying that the issue at hand is really trivial? 2005fa, 2003fa.

Marx has shown the benefits of the wage form for capitalism. Capitalism needs a wage form in order to coerce the laborer to do the work, and the wage form has the additional side effect of concealing exploitation. This conclusion does not relieve us from the substantive scientific work investigating those mechanisms which prevent the unmasking of the wage form itself. This is what Marx will do next.

He is going to enumerate specific reasons which prevent the transaction between capitalist and laborer from establishing a form for itself that is resonant with its true content. This cannot happen because to both capitalist and worker, the transaction they are engaged in looks exactly like the any other sale and purchase: labor is exchanged against money. The remainder of this paragraph looks at the exchange between capitalist and worker from its qualitative side, and the next paragraph looks at it from its quantitative side.

681:1 The exchange between capital and labor presents itself to the perceptions of the transactors at first glance in exactly the same way as the sale and purchase of any other commodity. The buyer gives a certain sum of money, the seller some article other than money.

The claim that the exchange of labor is, on the surface, indistinguishable from the exchange of any other commodity, is backed up by five supporting arguments. The first two of these address possible objections.

A legal point of view recognizes here at most a bodily difference, expressed in the legally equivalent formulae: “I give, that you may give; I give, that you may do; I do, that you may give; I do, that you may do.”

563:1 Der Austausch zwischen Kapital und Arbeit stellt sich der Wahrnehmung zunächst ganz in derselben Art dar wie der Kauf und Verkauf aller andren Waren. Der Käufer gibt eine gewisse Geldsumme, der Verkäufer einen von Geld verschiedenen Artikel.

Das Rechtsbewußtsein erkennt hier höchstens einen stofflichen Unterschied, der sich ausdrückt in den rechtlich äquivalenten Formeln: Do ut des, do ut facias, facio ut des, und facio ut facias.

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↑ (1a) One might object that there is indeed a difference: the usual procedure is “I give that you may give”; while this here is “I give that you may do.” Marx’s answer to this is embedded in the formulation above: this is only a *bodily* difference in the use-values exchanged. The formula “I give that you may give” is legally *equivalent* with “I give that you may do.”

↓ (1b) Although Marx argued earlier in this chapter at length that labor cannot have value, this fact is not obvious. Even its corollary which Marx had earlier called so absurd that it cannot even be pronounced as a law, namely, that the value of 1 hour of labor would have to be 1/2 hour of labor, could be explained by the difference between use-value and exchange-value:

681:2 Further. Since exchange-value and use-value are by their nature incommensurable magnitudes, the expressions ‘value of labor’ and ‘price of labor’ do not seem more incongruous than the expressions ‘value of cotton’ and ‘price of cotton’.

(1c) Marx’s third supporting argument is no longer the response to a possible objection, but Marx brings the following positive argument which seems to support the notion that the commodity traded between worker and capitalist is labor:

Moreover, the worker is paid after he has delivered his labor. In its function as a means of payment, money realizes, after the fact, the value or price of the article delivered—i.e. in this particular case, the value or price of the labor supplied.

563:2 Ferner: Da Tauschwert und Gebrauchswert an und für sich inkommensurable Größen sind, so scheint der Ausdruck: „Wert der Arbeit“, „Preis der Arbeit“ nicht irrationaler als der Ausdruck „Wert der Baumwolle“, „Preis der Baumwolle“.

Es kommt hinzu, daß der Arbeiter gezahlt wird, nachdem er seine Arbeit geliefert hat. In seiner Funktion als Zahlungsmittel realisiert das Geld aber nachträglich den Wert oder Preis des gelieferten Artikels, also im gegebenen Fall den Wert oder Preis der gelieferten Arbeit.

Although most other commodities are paid after delivery to the buyer, the wages are paid after the capitalist has *consumed* the labor-power. The rationale for this was already explained in chapter Six, 277:2. The consumption of the commodity by the capitalist is an exertion on the part of the worker, therefore the form in which it is sold necessarily implies coercion to ensure that the labor-power is indeed made available to the capitalist to the fullest possible extent. In chapter Six, Marx did not make it clear enough that coercion is involved, but in my view it is exactly this coercive component that has the side effect of mystifying the true character of the commodity traded. Since the coercion focuses on the performance of labor by the worker, the impression is created that the commodity which the capitalist receives from the worker is indeed the commodity “labor.”

(1d) Fourth point: in most cases, the use-value which the employer draws from the worker’s labor-power is not the potential labor, but the actual labor. There are a few exceptions: firemen, repairmen, computer systems administrators are paid just to be present and able to intervene in case something happens. Here one can argue that it is their potential labor that is useful to the capitalist even if it is not actualized. But most other workers are only useful for the capitalist if they actually do perform the work. This, again, bolsters the illusion that labor is being sold, not labor-power.

Finally, the “use-value” supplied by the worker to the capitalist is not in fact his labor-power but its function, a specific form of useful labor, such as tailoring, cobbling,

Endlich ist der „Gebrauchswert“, den der Arbeiter dem Kapitalisten liefert, in der Tat nicht seine Arbeitskraft, sondern ihre Funktion, eine bestimmte nützliche Arbeit,

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spinning, etc.

Schneiderarbeit, Schusterarbeit, Spinnarbeit usw.

(1e) But if one makes this argument then immediately a further clarification becomes necessary. The capitalist does not employ shoe-makers because he cares about shoes. He employs shoe-makers because they create more value than the wages they receive. But the shoe-makers themselves are not aware of the value-creating ability of their labor. Therefore they mis-interpret the motivation why the capitalist buys their labor-power, and therefore they do not see the true character of the transaction they are involved in:

That this same labor is, on the other hand, the universal value-creating element, and thus possesses a property by virtue of which it differs from all other commodities, is something which falls outside the scope of ordinary consciousness.

Daß dieselbe Arbeit nach einer andren Seite hin allgemeines wertbildendes Element ist, eine Eigenschaft, wodurch sie sich von allen andren Waren unterscheidet, fällt außerhalb des Bereichs des gewöhnlichen Bewußtseins.

In the next paragraph, Marx looks at the quantitative side of the wage bargain. As in chapter Twelve, p. 433:2/oo, Marx assumes here that one hour of labor produces a value of 12 cents.

First Marx looks at it from point of view of the laborer. The magnitude of the wages themselves does not come from a value intrinsic in the labor, but it is borrowed from the values of the workers' means of subsistence. Will this "remote control" of the magnitude of value not alert the transactors about the special character of the commodity that is traded?

681:3 Let us put ourselves in the place of the worker who receives for 12 hours of labor the value-product of, say, 6 hours of labor, namely 72 cents. For him, in fact, his 12 hours of labor is the means of buying the 72 cents. The value of his labor-power may vary, with the value of his usual means of subsistence, from 72 to 96 cents, or from 72 to 48 cents; or, if the value of labor-power remains constant, its price may rise to 96 cents or fall to 48 cents as a result of changes in the relation of demand and supply. He always gives 12 hours of labor. Every change in the amount of the equivalent that he receives therefore necessarily appears to him as a change in the value or price of his 12 hours of labor.

563:3 Stellen wir uns auf den Standpunkt des Arbeiters, der für zwölfstündige Arbeit z.B. das Wertprodukt sechsstündiger Arbeit erhält, sage 3 sh., so ist für ihn in der Tat seine zwölfstündige Arbeit das Kaufmittel der 3 sh. Der Wert seiner Arbeitskraft mag variieren mit dem Wert seiner gewohnheitsmäßigen Lebensmittel von 3 auf 4 sh. oder von 3 auf 2 sh., oder bei gleichbleibendem Wert seiner Arbeitskraft mag ihr Preis, infolge wechselnden Verhältnisses von Nachfrage und Angebot, auf 4 sh. steigen oder auf 2 sh. fallen, er gibt stets 12 Arbeitsstunden. Jeder Wechsel in der Größe des Äquivalents, das er erhält, erscheint ihm daher notwendig als Wechsel im Wert oder Preis seiner 12 Arbeitsstunden.

↑ If productivity rises, then the value of labor-power falls and the worker has to work less per day to reproduce the value of his or her means of subsistence. Nevertheless, the actual work day is unchanged, since the capitalist simply makes the surplus-labor longer. Therefore the worker does not see the effects which productivity changes have on his commodity, and therefore he is led to think he is selling labor, and that any changes in the buying power of his wages are due to a change in the value of labor. ↓ Adam Smith tries to get away from these surface illusions by his hypothesis that the value of labor is a constant and that all changes in the buying-power of the wage are due to productivity differences.

This circumstance misled Adam Smith, | Dieser Umstand verleitete umgekehrt Adam

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who treated the working day as a constant quantity,²⁹ into the opposite assertion that the value of labor is constant, although the value of the means of subsistence may vary, and the same working day, therefore, may represent more or less money for the worker.

Smith never says explicitly that he considers the length of the working day as constant. But whenever he talks about the quantity of labor he only measures labor in days and almost never mentions the length or intensity of the labor during the day. The only exception is his discussion of piece wages, which cause the workers to spend too much labor per day:

²⁹ Adam Smith only incidentally alludes to the variation of the working day, when he is dealing with piece-wages.

Smith, der den Arbeitstag als eine konstante Größe behandelt,²⁹ zur Behauptung, der Wert der Arbeit sei konstant, obgleich der Wert der Lebensmittel wechsle und derselbe Arbeitstag sich daher in mehr oder weniger Geld für den Arbeiter darstelle.

²⁹ A. Smith spielt nur zufällig auf die Variation des Arbeitstags an bei Gelegenheit des Stücklohns.

Term Paper Topic 747 (Fri Dec 3–Mon Dec 6) *The Vintage edition of Capital [Mar76, p. 681] has here the following reference: Wealth of Nations, Bk I, Ch. 8, ‘Of the Wages of Labor’. I read this chapter and did not find the place where Smith said that the value of labor was constant although the value of the means of subsistence may vary. If you can identify the place or places in Smith which Marx refers to here (which may or may not be in Ch. 8), I would count this piece of research as a term paper. 2009fa, 2008SP.*

(2b) One should expect the capitalist to be better aware than the worker that the commodity traded between him and the worker is labor-power, since he is trying every day to squeeze as much labor as possible from the worker.

682:1 Let us consider, on the other hand, the capitalist. He wishes to receive as much labor as possible for as little money as possible. In practice, therefore, the only thing that interests him is the difference between the price of labor-power and the value which its function creates.

He still does not draw the right conclusion from his own practice. He does not see labor-power as a special case, since he is trying to get maximum benefit for lowest cost from all commodities he is buying.

But he seeks to buy all commodities as cheaply as possible, and he explains his profit to himself as the result of mere sharp practice, of buying under the value and selling over it.

He is not aware that profits would be competed away after a brief adjustment period, if his interpretation of reality were correct.

Hence he never arrives at the insight that if such a thing as the value of labor really existed, and he really paid this value, no capital would exist, and his money would never be transformed into capital.

Now (3), the movement of wages over time:

682:2 Moreover, the actual movement of wages presents phenomena which seem to

564:1 Nehmen wir anderseits den Kapitalisten, so will er zwar möglichst viel Arbeit für möglichst wenig Geld erhalten. Praktisch interessiert ihn daher nur die Differenz zwischen dem Preis der Arbeitskraft und dem Wert, den ihre Funktion schafft.

Aber er sucht alle Ware möglichst wohlfeil zu kaufen und erklärt sich überall seinen Profit aus der einfachen Prellerei, dem Kauf unter und dem Verkauf über dem Wert.

Er kommt daher nicht zur Einsicht, daß, wenn so ein Ding wie Wert der Arbeit wirklich existierte, und er diesen Wert wirklich zahlte, kein Kapital existieren, sein Geld sich nicht in Kapital verwandeln würde.

564:2 Zudem zeigt die wirkliche Bewegung des Arbeitslohns Phänomene, die

19.4. [Necessity of Wage Form]

prove that it is not the value of labor-power which is paid, but the value of its function, of labor itself. We may reduce these phenomena to two great classes.

Together with the classification of these phenomena Marx gives very abbreviated arguments why they do not really prove that wages are determined by labor:

(a) Changes in wages owing to changes in the length of the working day. One might as well conclude that it is not the value of a machine which is paid, but that of the operations which it performs, because it costs more to hire a machine for a week than for a day.

The fact that a longer workday costs more than a shorter workday is not an argument that the capitalist has bought the labor instead of the labor-power. A longer workday costs more because it causes more wear to the worker.

(b) Individual differences between the wages of different workers who perform the same function. These individual differences also exist in the system of slavery, but there they do not give rise to any illusions, for labor-power is in that case itself sold frankly and openly, without any embellishment. Only, in the slave system, the advantage of a labor-power above the average, and the disadvantage of a labor-power below the average, affects the slave-owner; whereas in the system of wage-labor it affects the worker himself, because his labor-power is, in the latter case, sold by himself, and in the former, by a third person.

Individual labor-powers differ also in slavery. This does not generate any illusions because the slave owner is the one who benefits from a good labor-power, not the slave himself or herself.

Question 750 (*Tue Nov 9–Thu Nov 11*) *Productivity bargaining, i.e., union contracts which tie wage increases to increases in productivity, did not exist at Marx's time. Should it be included as an additional piece of evicence falsely suggesting that wages are paid for labor?*
2005fa, 2001fa, 1999SP, 1998WI.

(4) Finally, we should not be surprised if we encounter a situation where the form does not spontaneously divulge its content. This is often the case; this is why science is needed:

682:3 For the rest, what is true of all forms of appearance and their hidden background is also true of the form of appearance ‘value and price of labor’, or ‘wages’, as contrasted with the essential relation man-

zu beweisen scheinen, daß nicht der Wert der Arbeitskraft bezahlt wird sondern der Wert ihrer Funktion, der Arbeit selbst. Diese Phänomene können wir auf zwei große Klassen zurückführen.

Erstens: Wechsel des Arbeitslohns mit wechselnder Länge des Arbeitstags. Man könnte ebensowohl schließen, daß nicht der Wert der Maschine, sondern der ihrer Operation bezahlt wird, weil es mehr kostet, eine Maschine für eine Woche als für einen Tag zu dingen.

Zweitens: Der individuelle Unterschied in den Arbeitslöhnen verschiedner Arbeiter, welche dieselbe Funktion verrichten. Diesen individuellen Unterschied findet man, aber ohne Anlaß zu Illusionen, auch im System der Sklaverei, wo frank und frei, ohne Schnörkel, die Arbeitskraft selbst verkauft wird. Nur fällt der Vorteil einer Arbeitskraft die über dem Durchschnitt, oder der Nachteil einer Arbeitskraft, die unter dem Durchschnitt steht, im Sklavensystem dem Sklaveneigner zu, im System der Lohnarbeit dem Arbeiter selbst, weil seine Arbeitskraft in dem einen Fall von ihm selbst, in dem andern von einer dritten Person verkauft wird.

564:3 Übrigens gilt von der Erscheinungsform, “Wert und Preis der Arbeit“ oder „Arbeitslohn“, im Unterschied zum wesentlichen Verhältnis, welches erscheint, dem

19. From Value of Labor-Power to Wage

ifested in it, namely the value and price of labor-power. The forms of appearance are reproduced directly and spontaneously, as current and usual modes of thought; the essential relation must first be discovered by science.

Indeed there is a scientific discipline which looks at the wage form from a scientific point of view, namely, political economy. What can it tell us about the wage form? Although it cannot help stumbling here and there upon the real connections, it is unable to consciously formulate it:

Classical political economy stumbles approximately onto the true state of affairs, but without consciously formulating it.

The obstacle here are the class relations. It is unable to do this as long as it stays within its bourgeois skin.

Again Marx hints here that the persistence of the wage form, the inability of the laborer to see its true content, is due to the exercise of class power.

Wert und Preis der Arbeitskraft, dasselbe, was von allen Erscheinungsformen und ihrem verborgnen Hintergrund. Die ersten reproduzieren sich unmittelbar spontan, als gang und gäbe Denkformen, der andre muß durch die Wissenschaft erst entdeckt werden.

Die klassische politische Ökonomie stößt annähernd auf den wahren Sachverhalt, ohne ihn jedoch bewußt zu formulieren.

Sie kann das nicht, solange sie in ihrer bürgerlichen Haut steckt.

Question 751 (Tue Nov 9–Thu Nov 11) Is the transformation of the value of labor-power into the value of labor real, or does it take place only in the minds of those who sell and buy labor-power? [2008fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#), [1999SP](#), [1998WI](#), [1997WI](#), [1996sp](#), [1995WI](#).

20. Time Wages

Although in the wealth in capitalism takes the form of commodities, see the first sentence [125:1](#) in chapter One, Marx stresses that one of the central “commodities” traded on the market, labor, is not really a commodity. Wage-laborer and capitalists only *think* they are trading labor, but in reality they are trading labor-power. On the surface of the economy, the categories “price of labor” and “value of labor” do exist, but Marx argues that labor, the substance of all commodity-value, is itself not a commodity and cannot have a value.

The price of labor is not determined by the value of labor—there is no such thing as the value of labor—but it is derived in a roundabout manner by the value of labor-power and by the length of the workday. Chapter Nineteen established a connection between the price of labor on the surface and the underlying relations of production. It showed that the worker’s wage or the “price of labor” is the transformed form of the price of labor-power.

Question 754 (*Fri Nov 12–Mon Nov 15*) *Why a separate chapter about the time wage? Wasn’t the time wage already discussed in chapter Nineteen?* [2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#), [2007SP](#).

But knowing the essence behind the wage form does not yet fully define the shapes which this form can assume. Chapters Twenty and Twenty-One discuss its main shapes: time wage and piece wage. The main result of this investigation of surface forms is that both forms have built-in tendencies to *extend* the length of the workday, and the piece wage has also the tendency to *intensify* labor. Marx also stresses that these surface forms try to make themselves independent of the underlying mechanisms which determine them. These chapters show that important economic laws not only originate in the sphere of production but also on the surface. ↓ Indeed, the very first sentence criticizes mainstream economics for not paying enough attention to the surface forms:

[683:1](#) *Wages of labor themselves take many forms. This is not apparent from the ordinary economic treatises which, in their crude obsession with substance, neglect all differences of form.*

[565:1](#) *Der Arbeitslohn nimmt selbst wieder sehr mannigfaltige Formen an, ein Umstand, nicht erkennbar aus den ökonomischen Kompendien, die in ihrer brutalen Interessiertheit für den Stoff jeden Formunterschied vernachlässigen.*

↑ Although the wage of labor is a form of something (namely, of the value of labor-power), this form itself can take different shapes. Mainstream economists do not look at these differences; they only want to know what lies underneath these forms, without exploring how these forms mediate that what lies underneath them, and what other effects these forms may have. Marx gave similar criticisms already in the section about the fetish-like character of the commodity, [173:1/oo](#), and in footnote 23c154s489akmk to paragraph [492:3/o](#) in the Machinery chapter.

Question 755 (*Fri Nov 12–Mon Nov 15*) *What does one miss if one does not look at the form itself but only at that of which it is the form?* [2009fa](#).

20. Time Wages

An exposition of all these forms however belongs into the special study of wage labor, therefore not into this work. Nevertheless, the two prevailing fundamental forms must be briefly developed here.

↑ This excursion into the territory of the book on wage-labor is necessary because some of the results of the present investigation of the wage forms, namely, that these two forms help to lengthen the workday and lower the price of labor, will become relevant in the accumulation chapter.

↓ Marx discusses time wages first, for the following reason:

683:2 The sale of labor-power, as will be remembered, always takes place for specific periods of time. The transformed form which the daily value, weekly value, etc. of labor-power immediately assumes is therefore that of time wages, hence daily etc. wages.

↑ Wages are the payment received by the seller of *labor-power*, not labor. We saw in chapter Six, 270:3/o, that it is an essential characteristic of the commodity labor-power that it can only be sold for limited periods of time, because otherwise the system would degenerate into slavery. Chapter Ten also showed that the length of the working day must be regulated. From this follows that, whatever the form of the wage, it must always, directly or indirectly, contain a measurement of the time for which the labor-power is hired out. In time wages, this measurement is made directly, and in piece wages, indirectly. The word “time wages” means here that wages are paid by the day, week, fortnight, etc. Marx does not mean hourly wages; he will introduce the hourly wage later as the “price of labor.” Historically, daily wages for a length of labor determined by custom (sunup to sundown etc.) came first, and hourly wages came only later.

Eine Darstellung aller dieser Formen gehört jedoch in die spezielle Lehre von der Lohnarbeit, also nicht in dieses Werk. Dagegen sind die zwei herrschenden Grundformen hier kurz zu entwickeln.

565:2 Der Verkauf der Arbeitskraft findet, wie man sich erinnert, stets für bestimmte Zeitperioden statt. Die verwandelte Form, worin der Tageswert, Wochenwert usw. der Arbeitskraft sich unmittelbar darstellt, ist daher die des „Zeitlohns“, also Tageslohn usw.

Exam Question 757 Wages have two main forms: time wages and piece wages. Why does Marx discuss time wages first? [2009fa](#), [2008fa](#), [2007SP](#).

Question 758 (Fri Nov 12–Mon Nov 15) At the beginning of the Time Wage Chapter one might expect an argument of the sort: Wages are paid for labor, and labor is measured in time, therefore we will discuss time-wages first. Instead of this argument, Marx in 683:2 brings a different transition from labor-power to time wages. How does he argue, and what, if anything, is wrong with the argument outlined here? [2009fa](#), [2008fa](#), [2007SP](#).

20.1. [Quantitative Determination of Time Wages and Value of Labor]

↓ There is not one but several quantitative measures of wages. Marx introduces “nominal wages” first:

683:4/o The sum of money³⁰ which the worker receives for his daily or weekly labor forms the amount of his nominal wages, or

565:4/o Die Geldsumme³⁰, die der Arbeiter für seine Tagesarbeit, Wochenarbeit usw. erhält, bildet den Betrag seines nominellen

20.1. [Quantitative Determination of Time Wages and Value of Labor]

of his wages estimated in value.

³⁰ Here we always assume that the value of money itself remains constant.

↑ The constancy of the value of money is not an innocuous assumption. If money has a constant value, technical progress causes prices to fall, and relative surplus-value can only increase if wages fall as well. This is not a realistic assumption for the functioning of capitalism, since a gradual fall in the value of gold, mirroring the fall in the value of everything else, due to the general rise in productivity, allows prices and wages to remain constant even if productivity rises. See the last sentence in 192:1, and then 193:2. Furthermore, in today's post-gold-standard time, Keynes's "money illusion" plays an important role for the movement of wages, whenever there is secular inflation. The consideration of all these mechanisms is ruled out by the present assumption of a constant monetary value.

The empirics which Marx refers to in the background is therefore not the actual empirical experience, but this experience filtered through a process of abstraction. Those familiar with empirical experience of actual capitalism can easily extrapolate what things would look like if the value of gold was constant, and this is the experience Marx is referring to.

Question 759 (Fri Nov 12–Mon Nov 15) Besides the constancy of the value of money, what other abstractions of the raw empirics is Marx using in Capital?

↓ An important category derived from the nominal wage is the "price of labor."

But it is clear that according to the length of the working day, that is, according to the amount of actual labor supplied every day, the same daily or weekly wage may represent very different prices of labor, i.e. very different sums of money for the same quantity of labor.³¹ We must, therefore, in considering time-wages, again distinguish between the sum total of the daily or weekly wages, etc., and the price of labor.

The price of labor is relevant for two reasons. (1) it is the surface expression of the price of the most important commodity, namely, labor-power, and (2) it determines the rate of surplus-value (more about this in chapter Nine, 322:2/o). The distinction between wage and price of labor has practical relevance because the capitalist is interested in the price of labor, while the worker depends on the daily or weekly wage for his survival. ↓ After distinguishing the price of labor from the (daily or weekly) wage, Marx looks at the quantitative determination of the price of labor:

How then can we find this price, i.e. the money-value of a given quantity of labor?

↑ It is probably not an accident that Marx does not use the ontological formulation "how is the price of labor determined" but the epistemological "how can we find the price of labor." Although it is possible to calculate this price at any given time, the price of labor is not anchored in an economic law. (Epistemological formulations are rare in Marx's writings, he usually takes pains to formulate his research steps ontologically. Another rare exception is 762:1.)

oder dem Wert nach geschätzten Arbeitslohns.

³⁰ Der Geldwert selbst wird hier immer als konstant vorausgesetzt.

Es ist aber klar, daß je nach der Länge des Arbeitstags, also je nach der täglich von ihm gelieferten Quantität Arbeit, derselbe Tageslohn, Wochenlohn usw. einen sehr verschiedenen Preis der Arbeit, d.h. sehr verschiedene Geldsummen für dasselbe Quantum Arbeit darstellen kann.³¹ Man muß also bei dem Zeitlohn wieder unterscheiden zwischen Gesamtbetrag des Arbeitslohns, Taglohns, Wochenlohns usw. und Preis der Arbeit.

Wie nun diesen Preis finden, d.h. den Geldwert eines gegebenen Quantum Arbeit?

20. Time Wages

Term Paper Topic 760 (*Fri Dec 3–Mon Dec 6*) *Find other places where Marx uses an epistemological rather than an ontological formulation, and discuss why.*

↓ Chapter Nineteen discussed at length that the price of labor is not derived from a “value of labor” (such a thing does not exist) but it is a transformed form of the value of labor-power. Its quantity must be calculated in a somewhat roundabout manner:

The average price of labor can be obtained by dividing the average daily value of labor-power by the average number of hours in the working day. If, for instance, the daily value of labor-power is 3 shillings, which is the value-product of 6 working hours, and if the working day is 12 hours, the price of 1 working hour is $3/12$ shillings, i.e. 3d.

Der durchschnittliche Preis der Arbeit ergibt sich, indem man den durchschnittlichen Tageswert der Arbeitskraft durch die Stundenzahl des durchschnittlichen Arbeitstags dividiert. Ist z.B. der Tageswert der Arbeitskraft 3 sh., das Wertprodukt von 6 Arbeitsstunden, und ist der Arbeitstag zwölfstündig, so ist der Preis einer Arbeitsstunde = $(3 \text{ sh.})/12 = 3 \text{ d.}$

↑ This is the same example as in chapter Nineteen, 679:2. One component in this derivation of the price of labor, the value of labor-power, is well-defined and anchored in economic laws. But the other component, the length of the working-day, is “variable” or “indeterminate,” as Marx says in chapter Ten. ↓ It is a big contradiction that a magnitude which is indeterminate to such an important degree, something that is so-to-say “found” laying around, plays, on the surface of the economy, the key role of being the hourly price of labor:

The price of the working hour thus found serves as the unit measure for the price of labor.

Der so gefundene Preis der Arbeitsstunde dient als Einheitsmaß für den Preis der Arbeit.

↓ Marx does not explicitly call it a contradiction, but he illustrates this indeterminacy by paradoxical examples:

684:1/o It follows therefore that daily and weekly wages may remain the same, although the price of labor falls constantly.

566:1/o Es folgt daher, daß der Taglohn, Wochenlohn usw. derselbe bleiben kann, obgleich der Preis der Arbeit fortwährend sinkt.

Marx gives now three scenarios in which the daily wage remains constant or even rises, while the price of labor does not increase or even falls. (The examples are therefore a little broader than what the above introductory sentence may suggest.) They are examples for what *may* happen, without the claim that things *have to* occur this way. The relevance of these example scenarios is that they describe movements which are possible according to the laws of economics, i.e., they do not violate the law of value. Whether or not these movements actually occur depends therefore on the strength of the competing interests between workers and capitalists, they are not resisted by the system as such.

If, for example, the usual working day is 10 hours and the daily value of labor-power 3 shillings, the price of the working hour is $3/10$ d. It falls to 3d. as soon as the working day rises to 12 hours, and to $2\frac{2}{5}$ d. as soon as it rises to 15 hours. Despite all this, daily or weekly wages remain unchanged.

War z.B. der gewohnheitsmäßige Arbeitstag 10 Stunden und der Tageswert der Arbeitskraft 3 sh., so betrug der Preis der Arbeitsstunde $3/10$ d.; er sinkt auf 3 d., sobald der Arbeitstag zu 12 Stunden, und $2\frac{2}{5}$ d., sobald er zu 15 Stunden steigt. Tages- oder Wochenlohn bleiben trotzdem unverändert.

A lengthening of the working-day with constant daily wage benefits the capitalist since it increases surplus-value, but it does not violate the law of value since the worker is still

20.1. [Quantitative Determination of Time Wages and Value of Labor]

getting a wage which allows him to reproduce his labor-power—unless the extremely long day cuts into the essence of his or her labor-power.

Question 761 (*Fri Nov 12–Mon Nov 15*) *How can the price of labor be reduced even without changing the weekly pay?* [2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#), [2007SP](#).

↓ Second scenario: Lengthening of the working day with constant *hourly* wages:

Inversely, daily or weekly wages may rise, although the price of labor remains constant or even falls. If, for instance, the working day is 10 hours and the daily value of labor-power 3 shillings, the price of one working hour is $3 \frac{3}{5}$ d. If the worker, owing to an increase in the number of orders, works for 12 hours, and the price of labor remains the same, his daily wage now rises to 3s. $7 \frac{1}{5}$ d., without any variation having taken place in the price of labor. The same result might follow if, instead of the extensive magnitude of labor, its intensive magnitude increased.³² The rise of nominal daily or weekly wages may therefore be unaccompanied by any change in the price of labor, or may even be accompanied by a fall in the latter.

↓ The footnote emphasizes the beneficial aspects of this for both capitalist and laborer:

³² ‘The wages of labor depend upon the price of labor and the quantity of labor performed ... An increase in the wages of labor does not necessarily imply an enhancement of the price of labor. From fuller employment, and greater exertions, the wages of labor may be considerably increased, while the price of labor may continue the same’ [Wes26, p. 67–8, 112]. However, West disposes of the main question, ‘How is the price of labor determined?’, with mere banalities.

Umgekehrt kann der Taglohn oder Wochenlohn steigen, obgleich der Preis der Arbeit konstant bleibt oder selbst sinkt. War z.B. der Arbeitstag zehnständig und ist der Tageswert der Arbeitskraft 3 sh., so der Preis einer Arbeitsstunde $3 \frac{3}{5}$ d. Arbeitet der Arbeiter infolge zunehmender Beschäftigung und bei gleichbleibendem Preise der Arbeit 12 Stunden, so steigt sein Tageslohn nun auf 3 sh. $7 \frac{1}{5}$ d. ohne Variation im Preise der Arbeit. Dasselbe Resultat könnte herauskommen, wenn statt der extensiven Größe der Arbeit ihre intensive Größe zunähme.³² Steigen des nominellen Tages- oder Wochenlohns mag daher begleitet sein von gleichbleibendem oder sinkendem Preis der Arbeit.

↑ Marx’s last remark indicates that he approves with West’s observation. Note that Marx calls the determination of the price of labor “the main question.”

³² „Die Arbeitslöhne hängen vom Preis der Arbeit und der Menge der geleisteten Arbeit ab ... Eine Erhöhung der Arbeitslöhne schließt nicht notwendig eine Steigerung des Preises der Arbeit ein. Bei längerer Beschäftigung und größerer Anstrengung können die Arbeitslöhne beträchtlich anwachsen, während der Preis der Arbeit derselbe bleiben kann.“ [Wes26, p. 67, 68 u. 112]. Die Hauptfrage: wie wird der „price of labour“ bestimmt? fertigt West übrigens mit banalen Redensarten ab.

↑ Marx’s last remark indicates that he approves with West’s observation. Note that Marx calls the determination of the price of labor “the main question.”

↓ The third scenario is very relevant today, when each family increasingly has two wage-earners. Marx already discussed it in the Machinery chapter, [518:1](#).

The same thing holds for the income of the worker’s family, when the quantity of labor provided by the head of the family is augmented by the labor of the members of his family.

Dasselbe gilt von der Einnahme der Arbeiterfamilie, sobald das vom Familienhaupt gelieferte Arbeitsquantum durch die Arbeit der Familienglieder vermehrt wird.

↓ All three examples have one thing in common:

There are therefore methods of lowering the price of labor which are independent of any

Es gibt also von der Schmälerung des nominalen Tages- oder Wochenlohns unabhän-

20. Time Wages

reduction in the nominal daily or weekly wage.³³

³³ The most fanatical representative of the eighteenth-century industrial bourgeoisie, the author of the *Essay on Trade and Commerce*, whom we have often quoted already, notices this, although he puts the matter in a confused way: ‘It is the quantity of labor and not the price of it’ (he means by this the nominal daily or weekly wage) ‘that is determined by the price of provisions and other necessaries: reduce the price of necessaries very low, and of course you reduce the quantity of labor in proportion. Master-manufacturers know that there are various ways of raising and falling the price of labor, besides that of altering its nominal amount’ (op. cit., pp. 48, 61). N. W. Senior, in his *Three Lectures on the Rate of Wages*, London, 1830, where he uses West’s work without mentioning it, has this to say: ‘The laborer is principally interested in the amount of wages’ (p. 15). That is to say, the worker is principally interested in what he receives, the nominal sum of his wages, not in what he gives, the quantity of labor!

ge Methoden zur Herabsetzung des Preises der Arbeit.³³

³³ Dies fühlt der fanatischste Vertreter der industriellen Bourgeoisie des 18. Jahrhunderts, der oft von uns zitierte Verfasser des „*Essay on Trade and Commerce*“ richtig heraus, obgleich er die Sache konfus darstellt: „Es ist die Menge der Arbeit und nicht ihr Preis“ (versteht darunter den nominellen Tages- oder Wochenlohn), „die durch den Preis der Nahrungsmittel und anderen lebensnotwendigen Dinge bestimmt wird: setzt den Preis der lebensnotwendigen Dinge stark herab, so senkt ihr natürlich entsprechend die Menge der Arbeit ... Die Fabrikherren wissen, daß es verschiedene Wege gibt, den Preis der Arbeit zu heben oder zu senken, außer der Änderung seines nominellen Betrags.“ (l.c. p. 48 u. 61.) In seinen „*Three Lectures on the Rate of Wages*“, Lond. 1830, worin N. W. Senior Wests Schrift benutzt, ohne sie anzuführen, sagt er u.a.: „Der Arbeiter ist hauptsächlich an der Höhe des Arbeitslohnes interessiert.“ (p. 15.) Also der Arbeiter ist hauptsächlich interessiert in dem, was er erhält, dem nominellen Betrag des Lohns, nicht in dem, was er gibt, der Quantität der Arbeit!

Question 762 (*Fri Nov 12–Mon Nov 15*) *Is it true that the laborer is only interested in what he receives, i.e., the overall daily wage income, and not interested in what he gives, i.e., the overall daily labor?* [2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#), [2007SP](#).

The footnote sketches out how this abstract possibility can become reality. The gap which leaves the price of labor an indeterminate quantity becomes an issue in the contest between capitalist and worker. Capitalist and worker pull in different, but not exactly opposite directions. The capitalists want to pay a lower price per unit of labor performed, while the workers want a higher weekly or daily wage. This leads to the compromise of compressing more labor into each day in order to satisfy both the capitalist’s demand for cheap labor and the worker’s need for higher wages. This compromise can only be achieved by lengthening the workday, i.e., it ultimately goes at the expense of the worker. The dynamic described here may be a reason why the workday is still so long today. Marx discusses this effect in more detail in the chapter on piece wages, starting [695:2/o](#). Piece wages share with time wages the tendency to extend the working hours, in addition to their obvious tendency to intensify labor.

20.2. [Hourly Wage and Length of Working Day]

If we look at the underlying structural relations, the daily wage is determined by structural economic laws, namely, by the value of labor-power, and the price of labor is derived from it, it can be obtained by dividing the daily wage by the length of the workday. But on the surface, the price of labor, not the value of labor-power, is the basis for the calculation

20.2. [Hourly Wage and Length of Working Day]

of the daily wage. On the surface, therefore, causality goes in the opposite direction: the daily wage is obtained by multiplying the hourly wage by the length of the working-day. This multiplicative relationship is represented by Marx as two different laws, each of which holds one factor constant. As in chapter Seventeen, it can be argued that Marx decomposes the multiplication of two independent variables into two different laws, because different mechanisms are active in the two situations “price of labor constant” and “length of the working-day constant.” ↓ The first sentence contains a “however” because examples of this general law were just discussed:

685:1 As a general law, however, it follows that, given the amount of daily, weekly labor, etc., the daily or weekly wage depends on the price of labor, which itself varies either with the value of labor-power, or with the divergencies between its price and its value. Given the price of labor, on the other hand, the daily or weekly wage depends on the quantity of labor expended daily or weekly.

Note that Marx only says that they depend, not that they are proportional to each other. As it turns out, their dependency is not quite proportional. In these deviations from proportionality, the underlying relations of production assert themselves against the “wrong” surface causality. Marx begins with the second alternative, first in the case that the work day is shortened.

Question 763 (Fri Nov 12–Mon Nov 15) In 683:4/o, Marx gives a formula which allows us to compute the price of labor from the daily value of labor-power. But in 685:1, he says that the daily value of labor-power depends on the price of labor. In which direction does the causality go? Does the daily value of labor-power depend on the price of labor, or the price of labor on the daily value of labor-power? 2008fa, 2007SP.

Some of the examples that follow now are an elaboration of the examples hinted at briefly in 684:1/o.

20.2.a. [Abnormal Underemployment]

The clash between surface relations and core relations is most acute when the capitalist works short hours. If the labor-day consists of fewer hours than the norm on which the price of labor is based, then the laborer’s wages are not sufficient for the laborer to live.

685:2/o The unit of measurement for time-wages, the price of the working hour, is the value of a day’s labor-power divided by the number of hours in the average working day. Let the latter be 12 hours, and the daily value of labor-power 3 shillings, the value-product of 6 hours of labor. Under these circumstances, the price of a working hour is 3d., and the value produced in it is 6d. If the worker is now employed for less than 12 hours a day (or for less than 6 days

567:1 Als allgemeines Gesetz aber folgt: Ist die Quantität der Tages-, Wochenarbeit usw. gegeben, so hängt der Tages- oder Wochenlohn vom Preise der Arbeit ab, der selbst variiert, entweder mit dem Wert der Arbeitskraft oder den Abweichungen ihres Preises von ihrem Werte. Ist dagegen der Preis der Arbeit gegeben, so hängt der Tages- oder Wochenlohn von der Quantität der Tages- oder Wochenarbeit ab.

567:2/o Die Maßeinheit des Zeitlohns, der Preis der Arbeitsstunde, ist der Quotient des Tageswerts der Arbeitskraft, dividiert durch die Stundenzahl des gewöhnlichsmäßigen Arbeitstags. Gesetzt, letzter betrage 12 Stunden, der Tageswert der Arbeitskraft 3 sh., das Wertprodukt von 6 Arbeitsstunden. Der Preis der Arbeitsstunde ist unter diesen Umständen 3 d., ihr Wertprodukt 6 d. Wird der Arbeiter nun weniger als 12 Stunden täglich (oder weniger

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in the week), for instance only for 6 or 8 hours, he receives, at the price of labor just mentioned, only 2s. or 1s. 6d. a day.³⁴ As, on our hypothesis, he must work on average 6 hours a day in order to produce a day's wage which corresponds to nothing more than the value of his labor-power, and as, on the same hypothesis, he works only half of every hour for himself, and half for the capitalist, it is clear that he cannot obtain for himself the value-product of 6 hours if he is employed for less than 12 hours. In previous chapters we saw the destructive consequences of overwork; but here we come upon the origin of the sufferings which arise for the worker out of his being insufficiently employed.

Footnote 34 clarifies that the effects of a *general* reduction of the working-day are different than those of a working-day which falls below the norm.

³⁴ The effect of such an abnormal underemployment is quite different from that of a general reduction of the working day, enforced by law. The former has nothing to do with the absolute length of the working day, and may just as well occur in a working day of 15 hours as in one of 6. The normal price of labor is in the first case calculated on the basis of an average working day of 15 hours, and in the second case a working day of 6 hours. The result is therefore the same if the worker is employed in the one case for only 7 hours, and in the other case for only 3 hours.

↓ Next Marx discusses a situation in which a normal working-day is not even specified. If wages are contracted by the hour, without obligation on part of the employer for a daily or weekly minimum employment, the capitalist can harvest surplus labor without allowing the worker to perform his or her necessary labor.

686:1 If the hour's wage is fixed in such a way that the capitalist does not bind himself to pay a day's or a week's wage, but only to pay wages for the hours during which he chooses to employ the worker, he can employ him for a shorter time than that which is originally the basis of the calculation of the wages for the hour, or the unit of measurement of the price of labor.

↓ The rest of this paragraph argues this situation in more detail.

Since this unit is determined by the ratio of

als 6 Tage in der Woche) beschäftigt, z.B. nur 6 oder 8 Stunden, so erhält er, bei diesem Preise der Arbeit, nur 2 oder 1 1/2 sh. Taglohn.³⁴ Da er nach der Voraussetzung im Durchschnitt 6 Stunden täglich arbeiten muß, um nur einen dem Wert seiner Arbeitskraft entsprechenden Taglohn zu produzieren, da er nach derselben Voraussetzung von jeder Stunde nur 1/2 für sich selbst, 1/2 aber für den Kapitalisten arbeitet, so ist es klar, daß er das Wertprodukt von 6 Stunden nicht herausschlagen kann, wenn er weniger als 12 Stunden beschäftigt wird. Sah man früher die zerstörenden Folgen der Überarbeit, so entdeckt man hier die Quellen der Leiden, die für den Arbeiter aus seiner Unterbeschäftigung entspringen.

³⁴ Die Wirkung solcher anormalen Unterbeschäftigung ist durchaus verschieden von der einer allgemeinen zwangsgesetzlichen Reduktion des Arbeitstags. Erstere hat mit der absoluten Länge des Arbeitstags nichts zu schaffen und kann ebensowohl bei 15ständigem als bei 6ständigem Arbeitstag eintreten. Der normale Preis der Arbeit ist im ersten Fall darauf berechnet, daß der Arbeiter 15 Stunden, im zweiten darauf, daß er 6 Stunden per Tag durchschnittlich arbeitet. Die Wirkung bleibt daher dieselbe, wenn er in dem einen Fall nur 7 1/2, in dem anderen nur 3 Stunden beschäftigt wird.

568:1 Wird der Stundenlohn in der Weise fixiert, daß der Kapitalist sich nicht zur Zahlung eines Tages- oder Wochenlohns verpflichtet, sondern nur zur Zahlung der Arbeitsstunden, während deren es ihm beliebt, den Arbeiter zu beschäftigen, so kann er ihn unter der Zeit beschäftigen, die der Schätzung des Stundenlohns oder der Maßeinheit für den Preis der Arbeit ursprünglich zugrunde liegt.

Da diese Maßeinheit bestimmt ist durch

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the daily value of labor-power to the working day of a given number of hours, it naturally loses all meaning as soon as the working day ceases to contain a definite number of hours. The connection between the paid and the unpaid labor is destroyed.

↓ As is often the case with the little contradictions of capitalism, this lack of “meaning” can be used by the capitalist to increase exploitation.

Question 764 (*Fri Nov 12–Mon Nov 15*) In a system of hourly wages without a set daily minimum of hours, Marx says that “the connection between the paid and the unpaid labor is destroyed.” Explain what he means by this. [2009fa](#), [2008fa](#), [2008SP](#), [2007SP](#).

The capitalist can now wring from the worker a certain quantity of surplus labor without allowing him the labor-time necessary for his own subsistence. He can annihilate all regularity of employment, and according to his own convenience, caprice, and the interest of the moment, make the most frightful overwork alternate with relative or absolute cessation of work. He can abnormally lengthen the working day without giving the worker any corresponding compensation, under the pretense of paying ‘the normal price of labor’. Hence the perfectly rational revolt of the London building workers in 1860 against the attempt of the capitalists to impose on them this sort of wage by the hour.

↓ Apparently, Marx expected that the legal limitation of the working day would have the consequence that hourly wage contracts would specify a minimum number of hours which the capitalist would have to pay every day, or have other protections against short working hours.

The legal limitation of the working day puts an end to nonsense of this kind, though it does not of course end the diminution of employment caused by the competition of machinery, by changes in the quality of the workers employed, and partial or general crises.

die Proportion $\frac{\text{Tageswert der Arbeitskraft}}{\text{Arbeitstag von gegebner Stundenzahl}}$, verliert sie natürlich allen Sinn, sobald der Arbeitstag aufhört, eine bestimmte Stundenzahl zu zählen. Der Zusammenhang zwischen der bezahlten und unbezahlten Arbeit wird aufgehoben.

Der Kapitalist kann jetzt ein bestimmtes Quantum Mehrarbeit aus dem Arbeiter herausschlagen, ohne ihm die zu seiner Selbsterhaltung notwendige Arbeitszeit einzuräumen. Er kann jede Regelmäßigkeit der Beschäftigung vernichten und ganz nach Bequemlichkeit, Willkür und augenblicklichem Interesse die ungeheuerste Überarbeit mit relativer oder gänzlicher Arbeitslosigkeit abwechseln lassen. Er kann, unter dem Vorwand, den „normalen Preis der Arbeit“ zu zahlen, den Arbeitstag, ohne irgend entsprechende Kompensation für den Arbeiter, anormal verlängern. Daher der durchaus rationelle Aufstand (1860) der im Baufach beschäftigten Londoner Arbeiter gegen den Versuch der Kapitalisten, diesen Stundenlohn aufzuherrschen.

Die gesetzliche Beschränkung des Arbeitstags macht solchem Unfug ein Ende, obgleich natürlich nicht der aus Konkurrenz der Maschinerie, Wechsel in der Qualität der angewandten Arbeiter, partiellen und allgemeinen Krisen entspringenden Unterbeschäftigung.

20.2.b. [Long Hours and Overtime Pay]

Now the other side of the second alternative in 685:1: the price of labor is given and the length of the working day varies. Marx said some things about this already in chapter Seventeen, beginning 662:1, and here he only gives some additional points. His first additional

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point is: if the work day becomes too long, then the additional wear on the worker changes the arithmetic from a linear to a nonlinear relation. This too is an effect of the invisible connections beneath the surface.

686:2/oo With increasing daily or weekly wage, the price of labor may remain nominally constant, and yet fall below its normal level. This occurs every time the working day is prolonged beyond its customary length, while the price of labor (reckoned per working hour) remains constant. If, in the fraction $\frac{\text{daily value of labor-power}}{\text{working day}}$, the denominator increases, the numerator increases still more rapidly. The amount of deterioration in labor-power, and therefore its value, increases with the duration of its functioning, and to a more rapid degree than the increase of that duration.

This increased depreciation is reflected on the surface by “overtime pay.”

In many branches of industry, where time-wages are the general rule and there are no legal limits to the length of the working day, the habit has therefore spontaneously grown up of regarding the working day as normal only up to a point in time, for instance up to the expiration of the tenth hour (‘normal working day’, ‘the day’s work’, ‘the regular hours of work’). Beyond this limit the working time is overtime, and is paid at a better hourly rate (‘extra pay’), although often in a proportion which is ridiculously small.³⁵

³⁵ “The rate of payment for overtime” (in lace-making) ‘is so small, from 1/2d. and 3/4d. to 2d. per hour, that it stands in painful contrast to the amount of injury produced to the health and stamina of the workpeople ... The small amount thus earned is also often obliged to be spent in extra nourishment’ (Children’s Employment Commission, Second Report, p. xvi, n. 117).

↓ Two implications of the division of the day into regular time and overtime. (1) it undermines the normalization of the working-day.

The normal working day exists here as a fraction of the actual working day, and it often happens that the latter exceeds the former during the entire year.³⁶

³⁶ As for instance in paper-staining until the

568:2/oo Bei wachsendem Tages- oder Wochenlohn kann der Preis der Arbeit nominell konstant bleiben und dennoch unter sein normales Niveau sinken. Dies findet jedesmal statt, sobald mit konstantem Preis der Arbeit, resp. der Arbeitsstunde, der Arbeitstag über seine gewohnheitsmäßige Dauer verlängert wird. Wenn in dem Bruch $\frac{\text{Tageswert der Arbeitskraft}}{\text{Arbeitstag}}$ der Nenner wächst, wächst der Zähler noch rascher. Der Wert der Arbeitskraft, weil ihr Verschleiß, wächst mit der Dauer ihrer Funktion und in rascherer Proportion als das Inkrement ihrer Funktionsdauer.

In vielen Industriezweigen, wo Zeitlohn vorherrscht, ohne gesetzliche Schranken der Arbeitszeit, hat sich daher naturwüchsig die Gewohnheit herausgebildet, daß der Arbeitstag nur bis zu einem gewissen Punkt, z.B. bis zum Ablauf der zehnten Stunde, als normal gilt („normal working day“, „the day’s work“, „the regular hours of work“). Jenseits dieser Grenze bildet die Arbeitszeit Überzeit (overtime) und wird, die Stunde als Maßeinheit genommen, besser bezahlt (extra pay), obgleich oft in lächerlich kleiner Proportion.³⁵

³⁵ „Die Rate der Zahlung für Überzeit“ (in der Spitzenmanufaktur) „ist so klein, 1/2 d. usw. per Stunde, daß sie in peinlichem Kontrast steht zur massenhaften Unbill, die sie der Gesundheit und Lebenskraft der Arbeiter antut ... Der so gewonnene kleine Überschuß muß außerdem oft in Extra-Erfrischungsmitteln wieder verausgabt werden.“ („Child. Empl. Comm., II. Rep.“, p. XVI, n. 117.)

Der normale Arbeitstag existiert hier als Bruchteil des wirklichen Arbeitstags, und der letztere währt oft während des ganzen Jahres länger als der erstere.³⁶

³⁶ Z.B. in der Tapetendruckerei vor der neu-

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recent introduction into this trade of the Factory Act. ‘We work on with no stoppage for meals, so that the day’s work of 10 1/2 hours is finished by 4.30 p.m., and all after that is overtime, and we seldom leave off working before 6 p.m., so that we are really working overtime the whole year round’ (Mr Smith’s evidence, in Children’s Employment Commission, First Report, p. 125).

↓ (2) Regular pay is depressed, so that the workers are forced to work longer because they depend on overtime pay.

The increase in the price of labor when the working day is extended beyond a certain normal limit takes place in various British industries in such a way that the low price of labor during the so-called normal time compels the worker to work during the better paid overtime, if he wishes to obtain a sufficient wage at all.³⁷

³⁷ As for instance in the bleaching-works of Scotland. ‘In some parts of Scotland this trade’ (before the introduction of the Factory Act in 1862) ‘was carried on by a system of overtime, i.e. ten hours a day were the regular hours of work, for which a nominal wage of 1s. 2d. per day was paid to a man, there being every day overtime for 3 or 4 hours, paid at the rate of 3d. per hour. The effect of this system’ (was as follows:) ‘a man could not earn more than 8s. per week when working the ordinary hours … without overtime they could not earn a fair day’s wages’ (Reports of the Inspectors of Factories … 30 April 1863, p. 10). ‘The higher wages, for getting adult males to work longer hours, are a temptation too strong to be resisted’ (Reports of the Inspectors of Factories … 30 April 1848, p. 5). The book-binding trade in the city of London employs a large number of young girls from 14 to 15 years old under indentures which prescribe certain definite hours of labor. Nevertheless, they work in the last week of each month until 10, 11, 12 or 1 o’clock at night, along with the older male workers, in very mixed company. ‘The masters tempt them by extra pay and supper,’ which they eat in neighbouring public houses. The great debauchery thus produced among these ‘young immortals’ (Children’s Employment Commission. Fifth Report, p. 44, n. 191) finds its compensation in the fact that, among other things, they bind many Bibles and other edifying books.

lichen Einführung des Fabrikakts. „Wir arbeiteten ohne Pause für Mahlzeiten, so daß das Tageswerk von 10 1/2 Stunden um halb 5 Uhr nachmittags beendet ist, und alles spätere ist Überzeit, die selten vor 6 Uhr abends aufhört, so daß wir in der Tat das ganze Jahr durch Überzeit arbeiten.“ (Mr. Smiths Evidene in „Child. Empl. Comm., I. Rep.“, p. 125.)

Der Wachstum im Preis der Arbeit mit der Verlängerung des Arbeitstags über eine gewisse Normalgrenze gestaltet sich in verschiedenen britischen Industriezweigen so, daß der niedrige Preis der Arbeit während der sog. Normalzeit dem Arbeiter die besser bezahlte Überzeit aufzwingt, will er überhaupt einen genügenden Arbeitslohn herausschlagen.³⁷

³⁷ Z.B. in den schottischen Bleichereien. „In einigen Teilen Schottlands wurde diese Industrie“ (vor Einführung des Fabrikakts 1862) „nach dem System der Überzeit betrieben, d.h. 10 Stunden galten als normaler Arbeitstag. Dafür erhielt der Mann 1 sh. 2 d. Hierzu kam aber täglich eine Überzeit von 3 oder 4 Stunden, wofür 3 d. per Stunde gezahlt wurde. Folge dieses Systems: Ein Mann, der nur die Normalzeit arbeitete, konnte nur 8 sh. Wochenlohn verdienen. Ohne Überzeit reichte der Lohn nicht aus.“ („Reports of Insp. of Fact., 30th April 1863“, p. 10.) Die „Extrazahlung für Überzeit ist eine Versuchung, der die Arbeiter nicht widerstehen können“. („Rep. of Insp. of Fact., 30th April 1848“, p. 5.) Die Buchbinderei in der City von London verwendet sehr viele junge Mädchen vom 14.–15. Jahr an, und zwar unter dem Lehrlingskontrakt, der bestimmte Arbeitsstunden vorschreibt. Nichtsdestoweniger arbeiten sie in der Schlußwoche jedes Monats bis 10, 11, 12 und 1 Uhr nachts, zusammen mit den älteren Arbeitern, in sehr gemischter Gesellschaft. „Die Meister verlocken (tempt) sie durch Extralohn und Geld für ein gutes Nachessen“, das sie in benachbarten Kneipen zu sich nehmen. Die große Liecherlichkeit, so unter diesen „young immortals“ produziert („Child. Empl. Comm., V. Rep.“, p. 44, n. 191), findet ihre Kompensation darin, daß von ihnen unter andrem auch viele Bibeln und Erbauungsbücher gebunden werden.

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↓ As in 686:1, Marx had too high hopes in a legal limitation of the working-day.

Legal limitation of the working day puts an end to this pastime.³⁸

³⁸ See Reports of the Inspectors of Factories ... 30 April 1863, op. cit. The London building workers showed a very accurate appreciation of this state of affairs when, during the great strike and lock-out of 1860, they declared that they would accept wages by the hour under only two conditions: (1) that, alongside the price of the working hour, a normal working day of 9 and 10 hours respectively should be laid down, and that the price of the hour for the 10-hour working day should be higher than that for an hour of the 9-hour working day; and (2) that every hour beyond the normal working day should be reckoned as overtime and proportionally more highly paid.

↑ The strike of 1860 was already mentioned in 686:1.

Gesetzliche Beschränkung des Arbeitstags macht diesem Vergnügen ein Ende.³⁸

³⁸ Sieh „Reports of Insp. of Fact., 30th April 1863“, l.c. Mit ganz richtiger Kritik des Sachverhältnisses erklärten die im Baufach beschäftigten Londoner Arbeiter während des großen strike und lock-out von 1860, den Stundenlohn nur annehmen zu wollen unter zwei Bedingungen: 1. daß mit dem Preis der Arbeitsstunde ein Normalarbeitstag von resp. 9 und 10 Stunden festgesetzt werde und der Preis für die Stunde des zehnstündigen Arbeitstags größer sei als für die des neunstündigen; 2. daß jede Stunde über den Normaltag hinaus als Überzeit verhältnismäßig höher bezahlt werde.

Question 766 (Fri Nov 12–Mon Nov 15) In Chapter Twenty, Marx mentions two abuses connected with the wage which he thought would be abolished with the legal limitation of the working-day but which weren't. Which are those? [2009fa](#), [2007fa](#), [2007SP](#).

20.2.c. [Extension of Regular Hours Leads to Lower Wages]

While the previous examples discussed a *temporary* shortening or lengthening of the working-day compared to its normal length, the next example looks at the implications of an increase of the normal length itself. Marx begins with some empirical facts:

688:1 It is a generally known fact that the longer the working day in a branch of industry, the lower the wages are.³⁹

³⁹ ‘It is a very notable thing, too, that where long hours are the rule, small wages are also so’ (Reports of the Inspectors of Factories ... 31 October 1863, p. 9). ‘The work which obtains the scanty pittance of food, is, for the most part, excessively prolonged’ (Public Health, Sixth Report, 1864, p. 15).

↓ Not only only the hourly rate but even the total daily wage is lower in industries with long hours!

The factory inspector Alexander Redgrave illustrates this by a comparative review of the twenty years from 1839 to 1859, according to which wages rose in the factories under the Ten Hours' Act, while they fell in the factories where the work went on for 14 and 15 hours every day.⁴⁰

570:1 Es ist allgemein bekannte Tatsache, daß, je länger der Arbeitstag in einem Industriezweig, um so niedriger der Arbeitslohn.³⁹

³⁹ „Es ist zudem eine recht bemerkenswerte Tatsache, daß da, wo in der Regel die Arbeitszeit lang ist, die Löhne gering sind.“ („Rep. of Insp. of Fact., 31st Oct. 1863“, p. 9.) „Die Arbeit, die einen Hungerlohn einbringt, ist meist übermäßig lang.“ („Public Health, Sixth Rep. 1863“, p. 15.)

Fabrikinspektor A. Redgrave illustriert dies durch eine vergleichende Übersicht der zwanzigjährigen Periode von 1839–1859, wonach der Arbeitslohn in den dem Zehnstdengesetz unterworfenen Fabriken stieg, während er fiel in den Fabriken, wo 14 bis 15 Stunden täglich gearbeitet wird.⁴⁰

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⁴⁰ Reports of the Inspectors of Factories ... 30 April 1860, pp. 31–2.

⁴⁰ „Reports of Insp. of Fact., 30th April 1860“, p. 31, 32.

Now Marx explains how this negative correlation between length of working day and wages comes about. He does not start with a longer working-day but with the other side, low hourly wages. Why? Because the level of the hourly wages seems an objectively given, market-determined condition. In response to these low wages, workers agree to work more hours every day so that they can survive. They rely here on the second surface law discussed in 685:1, that with a fixed price of labor, a longer day will give them a higher daily wage.

688:2 From the law stated above, namely that the price of labor being given, the daily or weekly wage depends on the quantity of labor expended, it follows, first of all, that the lower the price of labor, the greater must be the quantity of labor, or the longer must be the working day, for the worker to secure even a miserable average wage. The low level of the price of labor acts here as a stimulus to the extension of the labor-time.⁴¹

⁴¹ The hand nail-makers of England, for example, have to work 15 hours a day, because of the low price of their labor, in order to hammer out an extremely wretched weekly wage. ‘It’s a great many hours in a day (6 a.m. to 8 p.m.), and he has to work hard all the time to get 11d. or 1s., and there is the wear of the tools, the cost of firing, and something for waste iron to go out of this, which takes off altogether 2 1/2d. or 3d’ (Children’s Employment Commission, Third Report, p. 136, n. 671). The women, although they work for the same length of time, earn a weekly wage of only 5s. (ibid., p. 137, n. 674).

↓ However, these longer working hours set deeper mechanisms in motion which decrease the already low hourly wages even more:

688:3 However, the extension of the period of labor produces in its turn a fall in the price of labor, and with this a fall in the daily or the weekly wage.

↑ Marx says here that the fall in the price of labor will not only erase the gains expected by the workers when they agreed to or acquiesced with longer hours, but at the end the daily wage will even be lower than initially. ↓ By what mechanisms? The first mechanism is the regularity first formulated in 683:4/o.

689/o The determination of the price of labor by use of the ratio $\frac{\text{daily value of labor-power}}{\text{working day of a given number of hours}}$ shows that the prolongation of the working day itself lowers the price of labor, if no compensatory factor enters.

570:2 Zunächst folgt aus dem Gesetz: „Bei gegebenem Preis der Arbeit hängt der Tages- oder Wochenlohn von der Quantität der gelieferten Arbeit ab“, daß, je niedriger der Preis der Arbeit, desto größer das Arbeitsquantum sein muß oder desto länger der Arbeitstag, damit der Arbeiter auch nur einen kümmerlichen Durchschnittslohn sichre. Die Niedrigkeit des Arbeitspreises wirkt hier als Sporn zur Verlängerung der Arbeitszeit.⁴¹

⁴¹ Die Hand-Nägelmacher in England haben z.B. wegen des niedrigen Arbeitspreises 15 Stunden täglich zu arbeiten, um den kümmerlichsten Wochenlohn herauszuschlagen. „Es sind viele, viele Stunden des Tags, und während aller der Zeit muß er hart schanzen, um 11 d. oder 1 sh. herauszuschlagen, und davon gehen 2 1/2 bis 3 d. ab für Verschleiß der Werkzeuge, Feuerung, Eisenabfall.“ („Child. Empl. Comm., III. Rep.“, p. 136, n. 671.) Die Weiber verdienen bei derselben Arbeitszeit nur einen Wochenlohn von 5 sh. (l.c. p. 137, n. 674.)

571:1 Umgekehrt aber produziert ihrerseits die Verlängerung der Arbeitszeit einen Fall im Arbeitspreise und damit im Tages- oder Wochenlohn.

571:2–572:3 Die Bestimmung des Arbeitspreises durch $\frac{\text{Tageswert der Arbeitskraft}}{\text{Arbeitstag von gegebener Stundenzahl}}$ ergibt, daß bloße Verlängerung des Arbeitstags den Arbeitspreis senkt, wenn keine Kompensation eintritt.

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↑ This cannot yet be the whole answer, since according to this formula, the total daily wage after lengthening the working-day is the same as it was before. According to this law, one should expect the daily wage to be independent of the length of the working-day, instead of being negatively related to it. Other forces must be at work to generate the negative relation. ↓ The existence of such other forces (Marx calls them here “circumstances”) is already indicated by the fact that the working-day is longer than normal to begin with:

But the same circumstances which allow the capitalist in the long run to prolong the working day also allow him at first, and compel him finally, to reduce the price of labor nominally as well until the total price of the increased number of hours goes down, and therefore the daily or weekly wage falls.

Aber dieselben Umstände, welche den Kapitalisten befähigen, den Arbeitstag auf die Dauer zu verlängern, befähigen ihn erst und zwingen ihn schließlich, den Arbeitspreis auch nominell zu senken, bis der Gesamtpreis der vermehrten Stundenzahl sinkt, also der Tages- oder Wochenlohn.

Let us summarize again how Marx answers the question: why are abnormally long hours associated with abnormally low daily wages, in such a way that the longer the hours the lower the daily wage? According to the underlying laws of capitalist production, one should expect the daily wage to be independent of the length of the working-day, since it is determined by the reproduction cost of the laborer, not by the amount of labor performed. One should also expect the length of the working-day to be equal for all industries. In those industries in which the working-day is longer than normal, extraordinary circumstances must prevail which allow the capitalists to impose a longer working-day on the workers. Marx's point is now that longer working hours are probably not the only effect of such extraordinary circumstances. If the workers are in a situation where they must agree to work longer hours, then they are probably also forced to accept lower overall wages.

Question 767 (*Fri Nov 12–Mon Nov 15*) How does Marx argue that longer hours are associated with a lower overall daily wage? [2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#), [2007SP](#).

It is not necessary for this derivation to specify what those extraordinary circumstances are. ↓ Only as a proof of concept, in order to show that such circumstances exist and work as conjectured, Marx brings two examples of such circumstances. (He calls them “circumstances” because they are competitive constellations.)

Here we need only refer to two kinds of circumstance.

Hinweis auf zwei Umstände genügt hier.

Both examples have to do with competitive forces in situations in which the market does not clear.

↓ In the first example, there is an excess supply in the labor market. In order not to get fired, the worker works extra hard. But by working more, the worker increases the supply of labor even more. I.e., he competes with himself or herself:

If one man does the work of 1 1/2 or 2 men, the supply of labor increases, although the supply of labor-power on the market remains constant. The competition thus created between the workers allows the capitalist to force down the price of labor, while the fall in the price of labor allows him, on the other hand, to force up the hours of work

Verrichtet ein Mann das Werk von 1 1/2 oder 2 Männern, so wächst die Zufuhr der Arbeit, wenn auch die Zufuhr der auf dem Markt befindlichen Arbeitskräfte konstant bleibt. Die so unter den Arbeitern erzeugte Konkurrenz befähigt den Kapitalisten, den Preis der Arbeit herabzudrücken, während der fallende Preis der Arbeit ihn umge-

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still further.⁴²

⁴² For instance, if a factory worker refuses to work the long hours which are customary, ‘he would very shortly be replaced by somebody who would work any length of time, and thus be thrown out of employment’ (Reports of the Inspectors of Factories … 30 April 1848, Evidence, p. 39, n. 58). ‘If one man performs the work of two … the rate of profits will generally be raised … in consequence of the additional supply of labor having diminished its price’ (Senior, op. cit., p. 15).

⇓ In the second example, there is an excess supply in the market for the finished product: in this situation, command over abnormally low wages becomes a competitive weapon and leads to abnormally low prices.

Soon, however, this command over abnormal quantities of unpaid labor, i.e. quantities in excess of the average social amount, becomes a source of competition amongst the capitalists themselves. A part of the price of the commodity consists of the price of labor. The unpaid part of the price of labor does not need to be reckoned as part of the price of the commodity. It may be given to the buyer as a present. This is the first step taken under the impulse of competition. The second step, also compelled by competition, is the exclusion from the selling price of the commodity of at least a part of the abnormal surplus-value created by the extension of the working day. In this way, an abnormally low selling price of the commodity arises, at first sporadically, and becomes fixed by degrees; this lower selling price henceforward becomes the constant basis of a miserable wage for excessive hours of work, just as originally it was the product of those very circumstances. We are only hinting at this movement here, as the analysis of competition does not belong to this part of the investigation. Nevertheless, let the capitalist speak for himself, for a moment.

‘In Birmingham there is so much competition of masters one against another, that many are obliged to do things as employers that they would otherwise be ashamed of, and yet no more money is made, but only the public gets

kehrt befähigt, die Arbeitszeit noch weiter heraufzuschrauben.⁴²

⁴² Wenn ein Fabrikarbeiter z.B. verweigerte, die hergebrachte lange Stundenzahl zu arbeiten, „würde er sehr schnell durch jemand ersetzt werden, der beliebig lang zu arbeiten gewillt ist, und würde so arbeitslos werden“. („Reports of Insp. of Fact., 31st Oct. 1848“, Evidence, p. 39, n. 58.) „Wenn ein Mann die Arbeit von zweien leistet … wird im allgemeinen die Profitrate steigen …, da diese zusätzliche Zufuhr von Arbeit ihren Preis herabgedrückt hat.“ (Senior, l.c. p. 15.)

Bald jedoch wird diese Verfügung über anormale, d.h. das gesellschaftliche Durchschnittsniveau überfließende Quanta unbezahlter Arbeit zum Konkurrenzmittel unter den Kapitalisten selbst. Ein Teil des Warenpreises besteht aus dem Preis der Arbeit. Der nicht gezahlte Teil des Arbeitspreises braucht nicht im Warenpreis zu rechnen. Er kann dem Warenkäufer geschenkt werden. Dies ist der erste Schritt, wozu die Konkurrenz treibt. Der zweite Schritt, wozu sie zwingt, ist, wenigstens einen Teil des durch die Verlängerung des Arbeitstags erzeugten anormalen Mehrwerts ebenfalls aus dem Verkaufspreis der Ware auszuschließen. In dieser Weise bildet sich erst sporadisch und fixiert sich nach und nach ein anormal niedriger Verkaufspreis der Ware, der von nun an zur konstanten Grundlage kümmerlichen Arbeitslohns bei übermäßiger Arbeitszeit wird, wie er ursprünglich das Produkt dieser Umstände war. Wir deuten diese Bewegung bloß an, da die Analyse der Konkurrenz nicht hierhin gehört. Doch mag für einen Augenblick der Kapitalist selbst sprechen.

„In Birmingham ist die Konkurrenz unter den Meistern so groß, daß mancher von uns gezwungen ist, als Arbeitsanwender zu tun, was er sich schämen würde, sonst zu tun; und dennoch wird nicht mehr Geld gemacht (and yet

20. Time Wages

the benefit.⁴³

⁴³ Children's Employment Commission, Third Report, Evidence, p. 66, n. 22.

no more money is made), sondern das Publikum allein hat den Vorteil davon.“⁴³

⁴³ „Child. Empl. Comm., III. Rep.“, Evidence, p. 66, n. 22.

Question 769 (*Fri Nov 12–Mon Nov 15*) In which of the examples in this chapter is there a tendency to increase (daily) wages while lowering the (hourly) price of labor, a possibility Marx invoked in *684:1/o?* *2008fa*.

[Another Digression about the Undersellers]

The example of the “undersellers,” first introduced in footnote 51 to paragraph 277:2 in chapter Six, and also discussed in chapter Ten, 358:2, illustrates this connection between abnormally low wages and abnormally low prices.

The reader will remember the two sorts of London bakers, of whom one sold the bread at its full price (the ‘full-priced’ bakers), the other below its normal price (‘the underpriced’, ‘the undersellers’). The ‘full-priced’ denounced their rivals before the Parliamentary Committee of Inquiry:

‘They only exist now by first defrauding the public, and next getting 18 hours’ work out of their men for 12 hours’ wages ... The unpaid labor of the men was made ... the source whereby the competition was carried on, and continues so to this day ... The competition among the master-bakers is the cause of the difficulty in getting rid of night-work. An underseller, who sells his bread below the costprice according to the price of flour, must make it up by getting more out of the labor of the men ... If I got only 12 hours’ work out of my men, and my neighbour got 18 or 20, he must beat me in the selling price. If the men could insist on payment for overwork, this would be set right ... A large number of those employed by the undersellers are foreigners and youths, who are obliged to accept almost any wages they can obtain.’⁴⁴

Man erinnert sich der zwei Sorten Londenner Bäcker, wovon die eine Brot zum vollen Preise (the „fullpriced“ backers), die andre es unter seinem normalen Preise verkauft („the underpriced“, „the undersellers“). Die „fullpriced“ denunzieren ihre Konkurrenten vor der parlamentarischen Untersuchungskommission:

„Sie existieren nur, indem sie erstens das Publikum betrügen“ (durch Fälschung der Ware) „und zweitens 18 Arbeitsstunden aus ihren Leuten für den Lohn zwölfstündiger Arbeit herausschinden ... Die unbezahlte Arbeit (the unpaid labour) der Arbeiter ist das Mittel, wodurch der Konkurrenzkampf geführt wird ... Die Konkurrenz unter den Bäckermeistern ist die Ursache der Schwierigkeit in Beseitigung der Nachtarbeit. Ein Unterverkäufer, der sein Brot unter dem mit dem Mehrpreis wechselnden Kostpreis verkauft, hält sich schadlos, indem er mehr Arbeit aus seinen Leuten herausschlägt. Wenn ich nur 12 Stunden Arbeit aus meinen Leuten herausschlage, mein Nachbar dagegen 18 oder 20, muß er mich im Verkaufspreis schlagen. Könnten die Arbeiter auf Zahlung für Überzeit bestehen, so wäre es mit diesem Manöver bald zu Ende ... Eine große Anzahl der von den Unterverkäufern Beschäftigten sind Fremde, Jungen und andre, die fast mit jedem Arbeitslohn, den sie kriegen können, vorlieb zu nehmen gezwungen sind.“⁴⁴

⁴⁴ Report, etc. Relative to the Grievances Complained of by the Journeymen Bakers, London, 1862, p. lii, and, in the same place, Evidence, notes 479, 359, 27. In any case, the ‘full-

⁴⁴ „Report etc. relative to the Grievances complained of by the journeymen bakers“, Lond. 1862, p. LII und ib., Evidence, n. 479, 359, 27. Indes lassen auch die fullpriced, wie früher

20.2. [Hourly Wage and Length of Working Day]

priced' themselves, as was mentioned above, and as their spokesman, Bennett, himself admits, make their men 'generally begin work at 11 p.m. ... up to 8 o'clock the next morning ... they are then engaged all day long ... as late as 7 o'clock in the evening' (ibid., p. 22).

erwähnt und wie ihr Wortführer Bennet selbst zugesteht, ihre Leute „Arbeit beginnen um 11 Uhr abends oder früher und verlängern sie oft bis 7 Uhr des folgenden Abends“. (l.c. p. 22.)

Exam Question 770 *What is the difference between surplus labor time and overtime? 2009fa, 2008fa, 2008SP, 2007fa, 2007SP.*

20.2.d. [Distorted View of Time Wages by the Capitalist]

The complaints of the capitalists about the infringements against their rights to exploit gives a fitting conclusion of the chapter: everything looks different on the surface.

690:1/o This jeremiad is also interesting because it shows how it is only the semblance of the relations of production which is reflected by the brain of the capitalist. He does not know that the normal price of labor also includes a definite quantity of unpaid labor, and that this very unpaid labor is the normal source of his profits. The category of surplus labor-time does not exist at all for him, since it is included in the normal working day, which he thinks he has paid for in the day's wages. But overtime, namely the prolongation of the working day beyond the limits corresponding to the usual price of labor, certainly does exist for him. When faced with his underselling competitor, he even insists upon extra pay for this overtime. Again, he does not know that this extra pay also includes unpaid labor, just as much as the price of the customary hour of labor does. For example, the price of one hour of the 12-hour working day is 3d., say the value-product of half a working hour, while the price of an overtime working hour is 4d., or the value-product of 2/3 of a working hour. In the first case the capitalist appropriates one-half of the working hour, in the second case one third, without making any payment in return.

572:4/o Diese Jeremiade ist auch deswegen interessant, weil sie zeigt, wie nur der Schein der Produktionsverhältnisse sich im Kapitalistenhirn widerspiegelt. Der Kapitalist weiß nicht, daß der normale Preis der Arbeit ein bestimmtes Quantum unbezahlter Arbeit einschließt und ebendiese unbezahlte Arbeit die normale Quelle seines Gewinns ist. Die Kategorie der Mehrarbeitszeit existiert überhaupt nicht für ihn, denn sie ist eingeschlossen im normalen Arbeitstag, den er im Taglohn zu zahlen glaubt. Wohl aber existiert für ihn die Überzeit, die Verlängerung des Arbeitstags über die dem gewohnten Preis der Arbeit entsprechende Schranke. Seinem unterverkaufenden Konkurrenten gegenüber besteht er sogar auf Extrazahlung (extra pay) für diese Überzeit. Er weiß wieder nicht, daß diese Extrazahlung ebensowohl unbezahlte Arbeit einschließt, wie der Preis der gewöhnlichen Arbeitsstunde. Z.B. der Preis einer Stunde des zwölfstündigen Arbeitstags ist 3 d., das Wertprodukt von 1/2 Arbeitsstunde, während der Preis der überzeitigen Arbeitsstunde 4 d., das Wertprodukt von 2/3 Arbeitsstunde. Im ersten Fall eignet sich der Kapitalist von einer Arbeitsstunde die Hälfte, im andern 1/3 ohne Zahlung an.

21. Piece Wages

21.1. [Piece Wage is Simply a Form of Time Wage]

The first brief paragraph makes a claim which will be elaborated and supported in the next four paragraphs (about one page of text).

692:1 The piece-wage is nothing but a transmuted form of the time-wage just as the time-wage is a transmuted form of the value or price of labor-power.

↑ Despite this comparison, the step from time-wages to piece-wages is not as big and mystifying as that from the value of labor-power to time-wages. I prefer therefore the following formulation from *Results*, 123:1/o, in which the piece wage is a *determinate* rather than a *transmuted* form of the time wage:

Hence, the *piece wage* is nothing but a *determinate form* of the time wage. The time wage is, for its part, only a changed form for the *value of the labor-power* ...

574:1 Der *Stücklohn* ist nichts als *verwandelter Form des Zeitlohns*, wie der *Zeitlohn* die *verwandelte Form des Wertes oder Preises der Arbeitskraft*.

Der *Stücklohn* ist also nichts als eine *bestimmte Form des Zeitlohns*, der seinerseits nur die *verwandelte Form für den Wert des Arbeitsvermögens* ...

21.1.a. [Piece Wage Not a Payment for the Product of Labor]

↓ Before saying what the piece wage is, Marx emphasizes what it is *not*: the piece wage is not a payment for the product of the labor, although at first glance it looks like one:

692:2 In piece-wages it seems at first sight as if the use-value bought from the worker is not his labor-power as it actually functions, living labor, but labor already objectified in the product. It also seems as if the price of this labor is determined not, as with time-wages, by the fraction $\frac{\text{daily value of labor-power}}{\text{working day of a given number of hours}}$ but by the producer's capacity for work.⁴⁵

574:2 Beim *Stücklohn* sieht es auf den ersten Blick aus, als ob der vom Arbeiter verkaufte Gebrauchswert nicht die Funktion seiner Arbeitskraft sei, lebendige Arbeit, sondern bereits im Produkt vergegenständlichte Arbeit, und als ob der Preis dieser Arbeit nicht wie beim *Zeitlohn* durch die Bruchzahl $\frac{\text{Tageswert der Arbeitskraft}}{\text{Arbeitstag von gegebner Stundenzahl}}$, sondern durch die Leistungsfähigkeit des Produzenten bestimmt werde.⁴⁵

↑ Of course, only someone well versed in Marxist theory would think that time wages are determined by the fraction $\frac{\text{daily value of labor-power}}{\text{working day of a given number of hours}}$ (and therefore not determined by the capability of the worker), but the point here is that the piece wage form reinforces the same mystification that was the subject of chapter Nineteen.

The next two paragraphs give three pieces of empirical evidence inconsistent with the theory that piece wages are a payment for the product of labor. (1) The same labor is under some circumstances paid a piece wage, and under others a time wage.

692:3 The confidence that trusts in this, the mere appearance of things, ought to re-

574:3/o Zunächst müßte die Zuversicht, die an diesen Schein glaubt, bereits stark

21.1. [Piece Wage is Simply a Form of Time Wage]

ceive an initial severe shock from the fact that both forms of wages exist side by side, at the same time, in the same branches of industry. For example,

‘the compositors of London, as a general rule, work by the piece, time-work being the exception while those in the country work by the day, the exception being work by the piece. The shipwrights of the port of London work by the job or piece, while those of all other ports work by the day.’⁴⁶

⁴⁶ T. J. Dunning, *Trades' Unions and Strikes*, London, 1860, p. 22.

↓ (2) One can even find piece-wages and time-wages coexisting in the same shop for the same labor:

692:4/o In the same saddlery shops of London, often for the same work, piece-wages are paid to Frenchmen, and time-wages are paid to Englishmen.

erschüttert werden durch die Tatsache, daß beide Formen des Arbeitslohns zur selben Zeit in denselben Geschäftszweigen nebeneinander bestehen. Z.B.

„Die Setzer von London arbeiten in der Regel nach Stücklohn, während Zeitlohn bei ihnen die Ausnahme bildet. Umgekehrt bei den Setzern in den Provinzen, wo der Zeitlohn die Regel und der Stücklohn die Ausnahme. Die Schiffszimmerleute im Hafen von London werden nach Stücklohn bezahlt, in allen anderen englischen Häfen nach Zeitlohn.“⁴⁶

⁴⁶ T. J. Dunning, „Trade's Unions and Strikes“, Lond. 1860, p. 22.

575:1 In denselben Londoner Sattlerwerkstätten wird oft für dieselbe Arbeit den Franzosen Stücklohn und den Engländern Zeitlohn gezahlt.

Question 771 (*Fri Nov 12–Mon Nov 15*) Why did some London workshops pay, for the same labor, time wages to Englishmen and piece wages to Frenchmen?

↓ (3) In factories, time wages are the exception only used for certain kinds of labor not suitable for piece wages.

In the actual factories, where piece-wages are the general rule, certain specific operations have to be excepted from this form of evaluation on technical grounds, and they are therefore paid by time-wages.⁴⁷

↓ Footnote: this ambiguity in form makes

⁴⁷ Here is how the simultaneous coexistence of these two forms of wage favors cheating on the part of the manufacturers: ‘A factory employs 400 people, the half of which work by the piece, and have a direct interest in working longer hours. The other 200 are paid by the day, work equally long with the others, and get no more money for their overtime ... The work of these 200 people for half an hour a day is equal to one person’s work for 50 hours, or 5/6 of one person’s labor in a week, and is a positive gain to the employer’ (*Reports of the Inspectors of Factories ... 31 October 1860*, p. 9). ‘Over-working to a very considerable extent still prevails; and, in most instances, with that security against detection and punishment which the law itself affords. I have in many former reports shown ... the injury to work-people who are not employed on

In den eigentlichen Fabriken, wo Stücklohn allgemein vorherrscht, entziehn sich einzelne Arbeitsfunktionen aus technischen Gründen dieser Messung und werden daher nach Zeitlohn gezahlt.⁴⁷

fraud possible.

⁴⁷ Wie das gleichzeitige Nebeneinander dieser zwei Formen des Arbeitslohns Fabrikantenprivilegien begünstigt: „Eine Fabrik beschäftigt 400 Leute, von welchen die Hälfte im Stücklohn arbeitet und ein unmittelbares Interesse daran hat, länger zu arbeiten. Die anderen 200 werden pro Tag bezahlt, arbeiten ebenso lang wie die anderen, aber erhalten kein Geld für die Überstunden ... Die Arbeit dieser 200 Leute während einer halben Stunde täglich ist gleich der Arbeit einer Person während 50 Stunden oder 5/6 der wöchentlichen Arbeitsleistung einer Person und stellt einen handgreiflichen Gewinn für den Unternehmer dar.“ („*Reports of Insp. of Fact., 31st October 1860*“, p. 9.) „Überstunden herrschen noch immer in beträchtlichem Umfang vor; und in den meisten Fällen mit der Sicherheit gegen Entdeckung und Bestrafung, die das

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piece-work, but receive weekly wages' (Leonard Horner, in Reports of the Inspectors of Factories ... 30 April 1859, pp. 8–9).

Gesetz selbst gewährt. Ich habe in vielen früheren Berichten aufgezeigt ... welches Unrecht an allen Arbeitern begangen wird, die nicht Stücklohn, sondern Wochenlohn erhalten.“ (Leonard Horner in „Reports of Insp. of Fact., 30th April 1859“, p. 8, 9.)

Question 772 (*Fri Nov 12–Mon Nov 15*) *At first sight, the piece-wage seems to indicate that the worker sells the product of his labor to the capitalist. Which evidence does Marx give to support his claim that this appearance is false and that the piece-wage is only a transmuted form of time-wages?*

Question 773 (*Fri Nov 12–Mon Nov 15*) *How does the coexistence of time-wages and piece-wages enable the capitalist to cheat?* [2008fa](#), [2008SP](#).

↓ Marx concludes from this that these two kinds of wages can only be two different forms of paying the price of labor-power. He adds the remark that the difference in the form of wages does not change their essence, although different forms may be more or less advantageous for the development of capitalist production.

However, it is in itself obvious that the difference in the form of wage payments in no way alters the essential nature of wages, although the one form may be more favourable to the development of capitalist production than the other.

An und für sich ist es jedoch klar, daß die Formverschiedenheit in der Auszahlung des Arbeitslohns an seinem Wesen nichts ändert, obgleich die eine Form der Entwicklung der kapitalistischen Produktion günstiger sein mag als die andre.

21.2. [Characteristic Features of Piece Wages]

Marx will now discuss aspects in which piece wages are similar or differ from time wages.

21.2.a. [Quantitative Determination of Piece Wages]

The essence of piece wages is identical to that of time wages. Piece wages are *not* a payment for the value of the piece. Rather, the magnitude of piece wages can be derived from the value of labor-power in a very similar manner to that of time wages.

693:1 Let the ordinary working day contain 12 hours, of which 6 are paid, 6 unpaid. Let its value-product be \$1.44; the value product of one hour of labor will therefore be 12 cents. Let us suppose that, as the result of experience, a worker, working with the average amount of intensity and skill, and therefore devoting to the production of an article only the amount of labor-time socially necessary, produces, in the course of 12 hours, twenty-four pieces, either distinct products or measurable parts of some integral construction. The value of these

575:2 Der gewöhnliche Arbeitstag betrage 12 Stunden, wovon 6 bezahlt, 6 unbefriedigt. Sein Wertprodukt sei 6 sh., das einer Arbeitsstunde daher 6 d. Es stelle sich erfahrungsmäßig heraus, daß ein Arbeiter, der mit dem Durchschnittsgrad von Intensität und Geschick arbeitet, in der Tat also nur die gesellschaftlich notwendige Arbeitszeit zur Produktion eines Artikels verwendet, 24 Stücke, ob diskret, oder meßbare Teile eines kontinuierlichen Machwerks, in 12 Stunden liefert. So ist der Wert dieser 24 Stücke, nach Abzug des in ihnen enthalt-

21.2. [Characteristic Features of Piece Wages]

twenty-four pieces, after we have subtracted the amount of constant capital contained in them, will be \$1.44, the value of a single piece will be 6 cents. The worker receives 3 cents per piece, and thus earns 72 cents in 12 hours.

↑ I.e., the result is the same as in the time wage example on p. 685:2/o, half the working-day is unpaid. ↓ And as with time wages, the specifics of the allocation do not matter:

Just as, with time-wages, it does not matter whether we assume that the worker works 6 hours for himself and 6 hours for the capitalist, or half of every hour for himself, and the other half for the capitalist, so here it does not matter whether we say that each individual piece is half paid for, and half unpaid for, or that the price of only twelve of the pieces is the equivalent of the value of the labor-power, while in the other twelve pieces surplus-value is incorporated.

↑ The above calculation showed that the piece-wage of a piece differs from the value added to that piece through labor. ↓ This is the same “irrationality” (as Marx calls it, although he uses the German word *irrationell*, not *irrational*) that exists with time-wages, see 679:3/o.

693:2/o The form of piece-wages is just as irrational as that of time wages. While, in our example, two pieces of a commodity, after subtraction of the value of the means of production consumed in them, are worth 12 cents, as the product of one hour of labor, the worker receives for them a price of 6 cents.

↑ This irrationality consists in the fact that for creating a value of 12 cents, the worker receives a piece wage of 6 cents. ↓ One should not be surprised about this discrepancy. The piece wage does not even try to measure the value of the piece.

In fact, piece-wages are not an immediate expression of a value relation. They are not involved with measuring the value of the piece by the labor-time incorporated in it. Rather the reverse: they are involved with measuring the labor expended by the worker by the number of pieces he has produced. In time-wages the labor is measured by its immediate duration, in piece-wages by the quantity of products in which the labor has become embodied during a given time.⁴⁸ The price of labor-time itself is finally determined by this equation: value of a day of la-

nen konstanten Kapitalteils, 6 sh. und der Wert des einzelnen Stücks 3 d. Der Arbeiter erhält per Stück 1 1/2 d. und verdient so in 12 Stunden 3 sh.

Wie es beim Zeitlohn gleichgültig ist, ob man annimmt, daß der Arbeiter 6 Stunden für sich und 6 für den Kapitalisten, oder von jeder Stunde die eine Hälfte für sich und die andre für den Kapitalisten arbeitet, so auch hier, ob man sagt, jedes einzelne Stück sei halb bezahlt und halb unbezahlt, oder der Preis von 12 Stücken ersetze nur den Wert der Arbeitskraft, während in den 12 andern sich der Mehrwert verkörpere.

576:1 Die Form des Stücklohns ist ebenso irrational als die des Zeitlohns. Während z.B. zwei Stück Ware, nach Abzug des Werts der in ihnen aufgezehrten Produktionsmittel, als Produkt einer Arbeitsstunde 6 d. wert sind, erhält der Arbeiter für sie einen Preis von 3 d.

Der Stücklohn drückt unmittelbar in der Tat kein Wertverhältnis aus. Es handelt sich nicht darum, den Wert des Stücks durch die in ihm verkörperte Arbeitszeit zu messen, sondern umgekehrt die vom Arbeiter verausgabte Arbeit durch die Zahl der von ihm produzierten Stücke. Beim Zeitlohn mißt sich die Arbeit an ihrer unmittelbaren Zeittdauer, beim Stücklohn am Produktenquantum, worin Arbeit während bestimmter Zeittdauer verdichtet.⁴⁸ Der Preis der Arbeitszeit selbst ist schließlich bestimmt durch die Gleichung: Wert der Tagesarbeit = Tages-

21. Piece Wages

bor = daily value of labor-power. The piece-wage is therefore only a modified form of the time-wage.

In the piece wage, the output is not measured by labor, but labor is measured by the output.

⁴⁸ ‘Wages can be measured in two ways: either by the duration of the labor, or by its product’ (*Abregé élémentaire des principes de l'économie politique*, Paris, 1796, p. 32). The author of this anonymous work is G. Garnier.

wert der Arbeitskraft. Der Stücklohn ist also nur eine modifizierte Form des Zeitlohns.

⁴⁸ „Der Lohn kann auf zwei Arten gemessen werden; entweder an der Dauer der Arbeit oder an ihrem Produkt“ („*Abrégué élémentaire des principes de l'Écon. Pol.*“, Paris 1796, p. 32.)

Verfasser dieser anonymen Schrift: G. Garnier.

Question 775 (*Fri Nov 12–Mon Nov 15*) Why is the form of piece wage just as irrational as that of time wages? [2009fa](#), [2008fa](#).

After discussing the quantity of piece wages, Marx turns to the characteristic peculiarities which the piece wage obtains from its *form*.

694:1 Let us now look a little more closely at the characteristic peculiarities of piece-wages.

576:2 Betrachten wir nun etwas näher die charakteristischen Eigentümlichkeiten des Stücklohns.

21.2.b. [Built-In Quality Control (and Wage Theft)]

The most striking characteristic of piece wages is that quality control of the product is built in:

694:2 The quality of the labor is here controlled by the work itself which must be of good average quality if the piece-price is to be paid in full.

576:3 Die Qualität der Arbeit ist hier durch das Werk selbst kontrolliert, das die durchschnittliche Güte besitzen muß, soll der Stückpreis voll bezahlt werden.

↓ The flip side of this: piece wage can be used for fraudulent infringements on wages: Piece-wages become, from this point of view, the most fruitful source of wage theft and capitalist cheating.

Der Stücklohn wird nach dieser Seite hin zu fruchtbarster Quelle von Lohnabzügen und kapitalistischer Prelleerei.

Question 776 (*Fri Nov 12–Mon Nov 15*) Explain how piece wages can become a “most fertile source for wage theft and capitalist cheating.” [2009fa](#), [2008fa](#), [2008SP](#).

21.2.c. [Controls Intensity of Labor, Screens Out the Slow]

Not only the quality of the end product, also the intensity of labor can be controlled by piece wages:

694:3 Piece wages provide to the capitalist an exact measure of the intensity of labor. Only the labor-time which is embodied in a quantity of commodities laid down in advance and fixed by experience counts as socially necessary labor-time and is paid as such.

576:4 Er bietet den Kapitalisten ein ganz bestimmtes Maß für die Intensität der Arbeit. Nur Arbeitszeit, die sich in einem vorher bestimmten und erfahrungsmäßig festgesetzten Warenquantum verkörpert, gilt als gesellschaftlich notwendige Arbeitszeit und wird als solche bezahlt.

↓ Example: products are named by the time they require. In the larger workshops of the London tailors, therefore, a certain piece of work, a

In den größeren Schneiderwerkstätten Londons heißt daher ein gewisses Stück Arbeit,

21.2. [Characteristic Features of Piece Wages]

waistcoat for instance, is called an hour, or half an hour, the hour being valued at 6d. Practice determines the size of the average product of one hour.

↓ What about new situations with no established past practice?

With new fashions, repairs, etc. a contest arises between the employer and the worker as to whether a particular piece of work is one hour, and so on, until here also experience decides.

↓ Example where workers who are too slow

Similarly in the London furniture workshops, etc. If the worker cannot provide labor of an average degree of efficiency, and if he cannot therefore supply a certain minimum of work per day, he is dismissed.⁴⁹

↑ The workers therefore do not have the option to work more slowly in exchange for the lower total wage obtained by the piece wage calculation. ↓ Footnote: the worker is squeezed between fines for bad quality and threat of dismissal for insufficient quantity.

⁴⁹ ‘So much weight of cotton is delivered to him’ (the spinner) ‘and he has to return by a certain time, in lieu of it, a given weight of twist or yarn, of a certain degree of fineness, and he is paid so much per pound for all that he so returns. If his work is defective in quality, the penalty falls on him, if less in quantity than the minimum fixed for a given time he is dismissed and an abler operative procured’ (Ure, op. cit., pp. 316-17).

z.B. eine Weste usw., Stunde, halbe Stunde usw., die Stunde zu 6 d. Aus der Praxis ist bekannt, wieviel das Durchschnittsprodukt einer Stunde.

are dismissed.

Bei neuen Moden, Reparaturen usw. entsteht Streit zwischen Anwender und Arbeiter, ob ein bestimmtes Arbeitsstück = einer Stunde usw., bis auch hier die Erfahrung entscheidet.

Ähnlich in den Londoner Möbelschreinereien usw. Besitzt der Arbeiter nicht die durchschnittliche Leistungsfähigkeit, kann er daher ein bestimmtes Minimum vom Tagwerk nicht liefern, so entlässt man ihn.⁴⁹

⁴⁹ „Es wird ihm“ (dem Spinner) „ein bestimmtes Gewicht Baumwolle übergeben, und er muß dafür in einer gewissen Zeit ein bestimmtes Gewicht an Twist oder Garn von einem gewissen Feinheitsgrad liefern und erhält für jedes so beschaffene Pfund soundso viel. Ist die Arbeit von mangelhafter Qualität, so wird er bestraft; ist das Quantum geringer als das für eine bestimmte Zeit festgesetzte Minimum, so wird er entlassen und ein tüchtiger Arbeiter eingestellt.“ (Ure, l.c. p. 316, 317.)

21.2.d. [Part of Supervision Becomes Superfluous]

Since piece wages make supervision superfluous, house work and a hierarchy of exploitation become possible:

695:1 Since the quality and intensity of the work are here controlled by the very form of the wage, superintendence of labor becomes to a great extent superfluous. Piece-wages therefore form the basis for the modern ‘domestic labor’ we described earlier, as well as for a hierarchically organized system of exploitation and oppression. The latter has two fundamental forms.

Marx does not discuss domestic labor here (he did that in 595:1) but elaborates on the hierarchy of exploitation (or cascading exploitation). ↓ In its first form it interposes a middleman between capitalist and worker.

On the one hand piece-wages make it easier for parasites to interpose themselves be-

577:1 Da Qualität und Intensität der Arbeit hier durch die Form des Arbeitslohns selbst kontrolliert werden, macht sie großen Teil der Arbeitsaufsicht überflüssig. Sie bildet daher sowohl die Grundlage der früher geschilderten modernen Hausarbeit als eines hierarchisch gegliederten Systems der Exploitation und Unterdrückung. Das letztere besitzt zwei Grundformen.

Der Stücklohn erleichtert einerseits das Zwischenschieben von Parasiten zwischen

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tween the capitalist and the wage-laborer, thus giving rise to the ‘subletting of labor’. The profits of these middlemen come entirely from the difference between the price of labor which the capitalist pays, and the part of that price they actually allow the worker to receive.⁵⁰ In England, this system is called, characteristically, the ‘sweating system’.

⁵⁰ ‘It is when work passes through several hands, each of which is to take its share of profits, while only the last does the work, that the pay which reaches the workwoman is miserably disproportioned’ (Children’s Employment Commission, Second Report, p. lxx, n. 424).

Second form: the worker himself employs helpers:

On the other hand, piece-wages allow the capitalist to make a contract for so much per piece with the most important worker—in manufacture, with the chief of some group, in mines with the extractor of the coal, in the factory with the actual machine-worker—at a price for which this man himself undertakes the enlisting and the payment of his assistants. Here the exploitation of the worker by capital takes place through the medium of the exploitation of one worker by another.⁵¹

⁵¹ Even the apologist Watts remarks: ‘It would be a great improvement to the system of piece-work, if all the men employed on a job were partners in the contract, each according to his abilities, instead of one man being interested in over-working his fellows for his own benefit’ (op. cit., p. 53). On the vile nature of the piece-work system, cf. Children’s Employment Commission, Third Report, p. 66, n. 22, p. 11, n. 124, p. xi, n. 13, 53, 59, etc.

Kapitalist und Lohnarbeiter, Unterverpachtung der Arbeit (subletting of labour). Der Gewinn der Zwischenpersonen fließt ausschließlich aus der Differenz zwischen dem Arbeitspreis, den der Kapitalist zahlt, und dem Teil dieses Preises, den sie dem Arbeiter wirklich zukommen lassen.⁵⁰ Dies System heißt in England charakteristisch das „Sweating-System“ (Ausschweißungssystem).

⁵⁰ „Wenn das Arbeitsprodukt durch viele Hände geht, auf die alle ein Teil des Profits kommt, während nur das letzte Paar Hände die Arbeit verrichtet, dann geschieht es, daß die Bezahlung, welche schließlich die Arbeiterin erreicht, jämmerlich unangemessen ist.“ („Child. Empl. Comm. II. Rep.“, p. LXX, n. 424.)

Andrerseits erlaubt der Stücklohn dem Kapitalisten, mit dem Hauptarbeiter—in der Manufaktur mit dem Chef einer Gruppe, in den Minen mit dem Ausbrecher der Kohle usw., in der Fabrik mit dem eigentlichen Maschinenarbeiter—einen Kontrakt für so viel per Stück zu schließen, zu einem Preis, wofür der Hauptarbeiter selbst die Anwerbung und Zahlung seiner Hilfsarbeiter übernimmt. Die Exploitation der Arbeiter durch das Kapital verwirklicht sich hier vermittelst der Exploitation des Arbeiters durch den Arbeiter.⁵¹

⁵¹ Selbst der apologetische Watts bemerkt: „Es wäre eine große Verbesserung des Stücklohnsystems, wenn alle an einem Stück Arbeit Beschäftigten Teilhaber am Vertrag wären, jeder entsprechend seinen Fähigkeiten, statt daß ein Mann daran interessiert ist, seine Kameraden für seinen eigenen Vorteil abzurackern.“ (I.c. p. 53.) Über die Gemeinheiten dieses Systems vgl. „Child. Emp. Comm. Rep. III“, p. 66, n. 22; p. 11, n. 124; p. XI, n. 13, 53, 59 usw.

21.2.e. [Tendencies to Intensify Labor and Lengthen Hours]

Piece wages are notorious for intensifying labor:

695:2/o Given the system of piece-wages, it is naturally in the personal interest of the worker that he should strain his labor-power as intensely as possible; this in turn enables

577:2/o Den Stücklohn gegeben, ist es natürlich das persönliche Interesse des Arbeiters, seine Arbeitskraft möglichst intensiv anzuspannen, was dem Kapitalisten ei-

21.2. [Characteristic Features of Piece Wages]

the capitalist to raise the normal degree of intensity of labor more easily.^{51a}

^{51a} This spontaneous result is often artificially helped along, as for instance in London, in the engineering trade, where a customary trick is 'the selecting of a man who possesses superior physical strength and quickness, as the principal of several workmen, and paying him an additional rate, by the quarter or otherwise, with the understanding that he is to exert himself to the utmost to induce the others, who are only paid the ordinary wages, to keep up to him ... without any comment this will go far to explain many of the complaints of stinting the action, superior skill, and working-power, made by the employers against the men' (i.e. when they are organized in trade unions, (Dunning, op. cit., pp. 22-3). As the author of this passage is himself a worker and the secretary of a trade union, this might be taken for an exaggeration. But compare, for example, the article 'Laborer' in the 'highly respectable' Cyclopaedia of Agriculture, ed. by J. C. Morton, where the method is recommended to the farmers as a usual and tested one.

↓ In addition, both piece wages and time wages have the tendency to prolong the work day:

Moreover, the lengthening of the working day is now in the personal interest of the worker, since with it his daily or weekly wages rise.⁵²

⁵² 'All those who are paid by piece-work ... profit by the transgression or the legal limits of work. This observation as to the willingness to work overtime is especially applicable to the women employed as weavers and reelers' (Reports of the Inspectors of Factories ... 30 April 1858, p. 9). 'This system' (piece-work) 'so advantageous to the employer ... tends directly to encourage the young potter greatly to over-work himself during the four or five years during which he is employed in the piece-work system, but at low wages ... This is ... another great cause to which the bad constitutions of the potters are to be attributed' (Children's Employment Commission, First Report, p. xiii).

Due to these longer hours, the daily wage rises. But these longer hours at the same time have the side effect of depressing the wage per piece and even the daily wage, see 688:1 in the time-wage chapter.

This brings on a reaction like that already described in time-wages, quite apart from

ne Erhöhung des Normalgrads der Intensität erleichtert.^{51a}

^{51a} Diesem naturwüchsigen Resultat wird oft künstlich unter die Arme gegriffen. Z.B. im Engineering Trade von London gilt es als herkömmlicher Trick, „daß der Kapitalist einen Mann von überlegner physischer Kraft und Fertigkeit zum Chef einer Arbeiteranzahl auswählt. Er zahlt ihm vierteljährlich oder in andren Terminen einen Zuschußlohn unter der Übereinkunft, alles mögliche aufzubieten, um seine Mitarbeiter, die nur den gewöhnlichen Lohn erhalten, zur äußersten Nacheiferung anzustacheln ... Ohne weiteren Kommentar erklärt dies die Kapitalistenklage über ‚Lähmung der Tätigkeit oder überlegner Geschicklichkeit und Arbeitskraft (stinting the action, superior skill and working power) durch die Trade's Unions‘.“ (Dunning, l.c. p. 22, 23.) Da der Verfasser selbst Arbeiter und Sekretär einer Trade's Union, könnte dies für Übertreibung gelten. Aber man sehe z.B. die „highly respectable“ agronomische Cyklopädie von J. Ch. Morton, Art. „Labourer“, wo diese Methode den Pächtern als probat empfohlen wird.

Es ist ebenso das persönliche Interesse des Arbeiters, den Arbeitstag zu verlängern, weil damit sein Tages- oder Wochenlohn steigt.⁵²

⁵² „Alle, die im Stücklohn bezahlt werden ... haben Vorteil von einer Überschreitung der gesetzlichen Grenzen der Arbeit. Diese Bereitschaft, Überstunden zu machen, ist besonders bei den Frauen zu beobachten, die als Weberinnen und Hasplerinnen beschäftigt sind.“ („Rep. of Insp. of Fact., 30th April 1858“, p. 9.) „Dies Stücklohnsystem, so vorteilhaft für den Kapitalisten ... strebt direkt, den jungen Töpfer zu großer Überarbeit zu ermuntern, während der 4 oder 5 Jahre, worin er per Stück, aber zu niedrigem Preis, bezahlt wird. Es ist dies eine der großen Ursachen, denen die physische Degeneration der Töpfer zuschreiben ist.“ („Child. Empl. Comm. I. Rep.“, p. XIII.)

Es tritt damit die beim Zeitlohn bereits geschilderte Reaktion ein, abgesehen davon,

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the fact that the prolongation of the working day, even if the piece-wage remains constant, includes of necessity a fall in the price of the labor.

↑ “Even if the piece-wage remains constant”: see 686:2/oo in the time wage chapter. The additional time uses disproportionately more of their labor-power, which leads to higher reproduction costs. The price of labor itself does not fall, but it falls below the worker’s reproduction cost of the labor-power.

↓ Piece wages also tend to depress wages by differentiating the wages paid for the same labor, thus inciting competition between the workers. (Time wages do not have this tendency.)

696:1/o In time-wages, with few exceptions, the same wage is paid for the same function, while in piece-wages, although the price of the labor-time is measured by a definite quantity of the product, the daily or weekly wage will vary with the individual differences between the workers, one of whom will supply, within a given period, the minimum of product only, another the average, and a third more than the average. With regard to their actual income, then, there is great variety among the individual workers, according to their different degrees of skill, strength, energy and staying power.⁵³

⁵³ ‘Where the work in any trade is paid for by the piece at so much per job ... wages may very materially differ in amount ... But in work by the day there is generally an uniform rate ... recognized by both employer and employed as the standard of wages for the general run of workmen in the trade’ (Dunning, op. cit., p. 17).

daß die Verlängerung des Arbeitstags, selbst bei konstant bleibendem Stücklohn, an und für sich eine Senkung im Preise der Arbeit einschließt.

578:1/o Beim Zeitlohn herrscht mit wenigen Ausnahmen gleicher Arbeitslohn für dieselben Funktionen, während beim Stücklohn der Preis der Arbeitszeit zwar durch ein bestimmtes Produktenquantum gemessen ist, der Tags oder Wochenlohn dagegen wechselt mit der individuellen Verschiedenheit der Arbeiter, wovon der eine nur das Minimum des Produkts in einer gegebenen Zeit liefert, der andre den Durchschnitt, der dritte mehr als den Durchschnitt. In bezug auf die wirkliche Einnahme treten hier also große Differenzen ein je nach dem verschiedenen Geschick, Kraft, Energie, Ausdauer usw. der individuellen Arbeiter.⁵³

⁵³ „Wo die Arbeit in irgendeinem Gewerbe nach der Stückzahl, zu soundso viel je Stück bezahlt wird ... können sich die Löhne dem Betrag nach sehr wesentlich voneinander unterscheiden ... Aber für Tagelohn besteht im allgemeinen ein einheitlicher Satz ... der vom Unternehmer und vom Arbeiter als Standardlohn für den Durchschnittsarbeiter in dem Gewerbe anerkannt wird.“ (Dunnig, l.c. p. 17.)

Question 777 (Fri Nov 12–Mon Nov 15) Time wages and piece wages have opposite effects on the competition between workers. Explain. 2009fa, 2008fa, 2007SP.

↓ The aggregate effect for capital is the same whether they pay differential rates to the workers or not (this was first discussed in the Co-Operation chapter, p. 440/o).

Of course, this does not alter the general relation between capital and wage-labor. First, the individual differences cancel each other out in the workshop as a whole, which thus supplies the average product within a given period of labor, and the total wages paid will be the average wage of that particular branch of industry. Second, the proportion

Dies ändert natürlich nichts an dem allgemeinen Verhältnis zwischen Kapital und Lohnarbeit. Erstens gleichen sich die individuellen Unterschiede für die Gesamtwerkstatt aus, so daß sie in einer bestimmten Arbeitszeit das Durchschnittsprodukt liefert und der gezahlte Gesamtlohn der Durchschnittslohn des Geschäftszweigs sein wird.

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between wages and surplus-value remains unaltered, since the mass of surplus labor supplied by each particular worker corresponds with the wage he receives.

↑ Here Marx postulates a very specific relationship between surplus-value and wages: the surplus-value created by a given individual is proportional to that individual's wage. ↓ Although in the aggregate, the effects of this wage differentiation cancel each other out, wage differentiation is advantageous for capital because of the kind of individual behavior it engenders among workers: along with the worker's sense of "liberty, independence and self-control" comes also heightened competition.

But the wider scope that piece-wages give to individuality tends to develop both that individuality, and with it the worker's sense of liberty, independence and self-control, and also the competition of workers with each other. The piece-wage therefore has a tendency, while raising the wages of individuals above the average, to lower this average itself.

Zweitens bleibt die Proportion zwischen Arbeitslohn und Mehrwert unverändert, da dem individuellen Lohn des einzelnen Arbeiters die von ihm individuell gelieferte Masse von Mehrwert entspricht.

Aber der größere Spielraum, den der Stücklohn der Individualität bietet, strebt einerseits dahin, die Individualität und damit Freiheitsgefühl, Selbständigkeit und Selbstkontrolle der Arbeiter zu entwickeln, andererseits ihre Konkurrenz unter- und gegeneinander. Er hat daher eine Tendenz, mit der Erhebung individueller Arbeitslöhne über das Durchschnittsniveau dies Niveau selbst zu senken.

↑ By saying that piece wages raise competition Marx brings an important positive implication of time wages: since everybody gets the same pay per hour, the level of solidarity rises. Everybody is in the same boat. (This may also lead to tensions because of free-riding.)

Question 778 (Fri Nov 12–Mon Nov 15) Is there something wrong with the worker's sense of "liberty, independence and self-control" engendered by piece-wages? 2007SP.

↓ In situations where piece wages could not be lowered, the capitalists resort to introducing time wages.

However, where a particular rate of piece-wage has for a long time been a fixed tradition, and its lowering, therefore, has presented especial difficulties, in such exceptional cases the masters have sometimes had recourse to the forcible transformation of piece-wages into time-wages. In 1860, for instance, this action set off a big strike among the ribbon-weavers of Coventry.⁵⁴

↑ In other words, the capitalists expect a gradual decline of piece over time, and try to erase any niche where workers manage to hold on to a part of their own product.

⁵⁴ 'The labor of the journeymen-craftsmen is regulated by the day or by the piece ... The master-craftsmen know approximately how much work a journeyman can do every day in each trade, and they often pay them in proportion to the amount of work they perform; thus the journeymen do as much work as they can, in their own interest, and without needing any

Wo aber bestimmter Stücklohn sich seit lange traditionell befestigt hatte und seine Herabsetzung daher besondere Schwierigkeiten bot, flüchteten die Meister ausnahmsweise auch zu seiner gewaltsamen Verwandlung in Zeitlohn. Hiergegen z.B. 1860 großer strike unter den Bandwebern von Coventry.⁵⁴

⁵⁴ „Die Arbeit der Handwerksgesellen regelt sich nach dem Tag oder nach dem Stück (à la journée ou à la pièce) ... Die Meister wissen ungefähr, wieviel Werke die Arbeiter täglich in jedem métier verrichten können, und zahlen sie daher oft im Verhältnis zum Werk, das sie verrichten; so arbeiten diese Gesellen, soviel sie können, in ihrem eignen Interesse, ohne weitere Beauf-

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further supervision' ([Richard] Cantillon, *Essai sur la nature du commerce en général*, Amsterdam, 1756, pp. 185, 202. The first edition appeared in 1755). Cantillon, from whom Quesnay, Sir James Steuart and Adam Smith have largely drawn, here already presents the piece-wage as merely a modified form of the time-wage.

sichtigung.“ (Cantillon, „*Essai sur la Nature du Commerce en Général*“, Amst. Éd. 1756, p. 185 u. 202. Die Erste Ausgabe erschien 1755). Cantillon, aus dem Quesnay, Sir James Steuart und A. Smith reichlich geschöpft haben, stellt hier also schon den Stücklohn als bloß modifizierte Form des Zeitlohns dar.

The wage structure therefore creates the tendency to prolong and intensify the working day while lowering the wages themselves. Marx does not say here where this ends, but he says in 542:1 that it leads to a state of overwork which makes further legal restrictions of the length of the working-day inevitable.

Question 779 (*Fri Nov 12–Mon Nov 15*) *Which advantages does the form of piece-wages have for the capitalists? What does it mean for the relation between the workers?* 2008SP, 2007fa, 2007SP.

21.2.f. [Support for the Hour System]

↓ The hour system is described in 686:1.

Finally, the piece-wage is one of the chief supports of the hour-system described in the preceding chapter.⁵⁵

⁵⁵ ‘How often have we not seen many more workers taken on, in some workshops, than were needed actually to do the work? Workers are often set on in the expectation of work which is uncertain, or even completely imaginary; as they are paid piece-wages, the employers say to themselves that they run no risk, because any loss of working time will be at the expense of the workers who are unoccupied’ (H. Gregoir, *Les Typographes devant le Tribunal correctionnel de Bruxelles*, Brussels, 1865, p. 9).

Der Stücklohn ist endlich eine Hauptstütze des früher geschilderten Stundensystems.⁵⁵

⁵⁵ „Wie häufig haben wir gesehen, daß man in gewissen Werkstätten weit mehr Arbeiter einstellte, als zur Arbeit wirklich benötigt wurden? Oft nimmt man Arbeiter an in Erwartung einer noch ungewissen, manchmal sogar nur eingebildeten Arbeit: da man im Stücklohn zahlt, sagt man sich, daß man nichts riskiert, da alle verlorene Zeit zu Lasten der Unbeschäftigteng geht.“ (H. Gregoir, „*Les Typographes devant le Tribunal Correctionnel de Bruxelles*“, Bruxelles 1865, p. 9.)

↑ Piece wages make it easy to introduce the hour system because they follow the principle of strict payment by labor performed, without a daily or weekly minimum pay.

Question 780 (*Fri Nov 12–Mon Nov 15*) *How do piece-wages promote a lowering of the price of labor? List all mechanisms cited by Marx which have this effect.*

21.2.g. [Epilogue: Role of Piece-Wages in the Development of Capitalism]

697:1/oo From what has been shown so far, it is apparent that the piece wage is the form of wage most appropriate to the capitalist mode of production.

580:1–2 Aus der bisherigen Darstellung ergibt sich, daß der Stücklohn die der kapitalistischen Produktionsweise entsprechendste Form des Arbeitslohns ist.

↑ This summarizes all the special characteristics of the piece wage just discussed, from its built-in supervision to its tendencies to intensify labor and lower wages.

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Question 781 (*Fri Nov 12–Mon Nov 15*) Why is piece wage the wage form most appropriate for capitalism? [2008SP](#), [2007fa](#), [2007SP](#).

⇓ But this raises the question: what role did piece wages play in the development of capitalism? This historical investigation also yields empirical proof that the mechanisms developed earlier in the chapter are active.

Although by no means new—it figures officially side by side with time-wages in the French and English labor statutes of the fourteenth century—it only conquered a larger field of action during the period of manufacture properly so-called. In the stormy youth of large-scale industry, and particularly from 1797 to 1815, it served as a lever for the lengthening of the working day and the lowering of wages. Very important material bearing on the movement of wages during that period is to be found in the two Blue Books Report and Evidence from the Select Committee on Petitions Respecting the Corn Laws (Parliamentary Session of 1813–14), and Report from the Lords' Committee, on the State of the Growth, Commerce, and Consumption of Grain, and all Laws Relating Thereto (Session of 1814–15). Here we find documentary evidence of the constant lowering of the price of labor from the beginning of the Anti-Jacobin War. In the weaving industry, for example, piece-wages had fallen so low that in spite of the very great lengthening of the working day, the daily wage was then lower than it had been before.

'The real earnings of the cotton weaver are now far less than they were; his superiority over the common laborer, which at first was very great, has now almost entirely ceased. Indeed ... the difference in the wages of skilful and common labor is far less now than at any former period.'⁵⁶

⁵⁶ Remarks on the Commercial Policy of Great Britain, London, 1815, p. 48.

After this summary paragraph, several individual items are discussed in more detail. ⇓ First the effects of piece wages in agriculture (i.e., no machinery, no limitation of the length of the working-day):

How little the increased intensity and extension of labor through piece-wages benefited the agricultural proletariat can be seen from the following passage from a pamphlet in

Obgleich keineswegs neu—er figuriert neben dem Zeitlohn offiziell u.a. in den französischen und englischen Arbeiterstatuten des vierzehnten Jahrhunderts—, gewinnt er doch erst größeren Spielraum während der eigentlichen Manufakturperiode. In der Sturm- und Drangperiode der großen Industrie, namentlich von 1797 bis 1815, dient er als Hebel zur Verlängerung der Arbeitszeit und Herabsetzung des Arbeitslohns. Sehr wichtiges Material für die Bewegung des Arbeitslohns während jener Periode findet man in den Blaubüchern: „Report and Evidence from the Select Committee on Petitions respecting the Corn Laws“ (Parlamentssession 1813/14) und „Reports from the Lords' Committee, on the state of the Growth, Commerce, and Consumption of Grain, and all Laws relating thereto“. (Session 1814/15.) Man findet hier den dokumentarischen Nachweis für die fortwährende Senkung des Arbeitspreises seit dem Beginn des Antijakobinerkriegs. In der Weberei z.B. war der Stücklohn so gefallen, daß trotz des sehr verlängerten Arbeitstags der Taglohn jetzt niedriger stand als vorher.

„Die reale Einnahme des Webers ist sehr viel weniger als früher: seine Superiorität über den gewöhnlichen Arbeiter, die erst sehr groß war, ist fast ganz verschwunden. In der Tat, der Unterschied in den Löhnen geschickter und gewöhnlicher Arbeit ist jetzt viel unbedeutender als während irgendeiner früheren Periode.“⁵⁶

⁵⁶ „Remarks on the Commercial Policy of Great Britain“, London 1815, p. 48.

580:3–4 Wie wenig die mit dem Stücklohn gesteigerte Intensität und Ausdehnung der Arbeit dem ländlichen Proletariat fruchten, zeige folgende einer Parteischrift für

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favour of the landlords and farmers:

'By far the greater part of agricultural operations is done by people, who are hired for the day or on piece-work. Their weekly wages are about 12 shillings, and although it may be assumed that a man earns on piece-work under the greater stimulus to labor, 1 shilling, or perhaps 2 shillings more than on weekly wages, yet it is found, on calculating his total income, that his loss of employment, during the year, outweighs this gain ... Further, it will generally be found that the wages of these men bear a certain proportion to the price of the necessary means of subsistence, so that a man with two children is able to bring up his family without recourse to parish relief.'⁵⁷

Landlords und Pächter entlehnte Stelle:

„Bei weitem der größere Teil der Agrikulturoperationen wird durch Leute verrichtet, die für den Tag oder auf Stückwerk gedungen sind. Ihr Wochenlohn beträgt ungefähr 12 sh.; und obgleich man voraussetzen mag, daß ein Mann bei Stücklohn, unter dem größeren Arbeitssporn, 1 sh. oder vielleicht 2 sh. mehr verdient als beim Wochenlohn, so findet man dennoch, bei Schätzung seiner Gesamteinnahme, daß sein Verlust an Beschäftigung im Lauf des Jahrs diesen Zuschuß aufwiegt ... Man wird ferner im allgemeinen finden, daß die Löhne dieser Männer ein gewisses Verhältnis zum Preis der notwendigen Lebensmittel haben, so daß ein Mann mit zwei Kindern fähig ist, seine Familie ohne Zuflucht zur Pfarreiunterstützung zu erhalten.“⁵⁷

⁵⁷ A Defence of the Landowners and Farmers of Great Britain, London, 1814. pp. 4–5.

Malthus remarked at that time, with reference to the facts published by Parliament: 'I confess that I see, with misgiving, the great extension of the practice of piece-wage. Really hard work during 12 or 14 hours of the day, or for any longer time, is too much for any human being.'⁵⁸

⁵⁸ Malthus, Inquiry into the Nature and Progress of Rent, London, 1815 [p. 49, note].

↓ Next a brief but interesting remark about

699:1 In those workshops which are subject to the Factory Act, the piece-wage becomes the general rule, because there capital can increase the yield of the working day only by intensifying labor.⁵⁹

⁵⁹ 'Those who are paid by piece-work ... constitute probably four-fifths of the workers in the factories' (Reports of the Inspectors of Factories ... 30 April 1858, p. 9).

⁵⁷ „A Defence of the Landowners and Farmers of Great Britain“, Lond. 1814, p. 4, 5.

581:1–2 Malthus bemerkte damals mit Bezug auf die vom Parlament veröffentlichten Tatsachen: „Ich gestehe, ich sehe mit Mißvergnügen die große Ausdehnung der Praxis des Stücklohns. Wirklich harte Arbeit während 12 oder 14 Stunden des Tags, für irgend längere Zeitperioden, ist zuviel für ein menschliches Wesen.“⁵⁸

⁵⁸ Malthus, „Inquiry into the Nature etc. of Rent“, London 1815, [p. 49, Note].

the effects of the Factory Acts:

581:3 In den dem Fabrikgesetz unterworfenen Werkstätten wird Stücklohn allgemeine Regel, weil das Kapital dort den Arbeitsstag nur noch intensiv ausweiten kann.⁵⁹

⁵⁹ „Die Arbeiter auf Stücklohn bilden wahrscheinlich 4/5 aller Arbeiter in den Fabriken.“ („Reports of Insp. of Fact. for 30th April 1858“, p. 9.)

21.3. [Piece Wages and Changes in Productivity]

↓ The mathematics of it is clear.

699:2/o Changes in the productivity of labor mean that the same quantity of a given product represents an amount of labor-time which varies. Therefore, the piece-wage

581:4–582:1 Mit der wechselnden Produktivität der Arbeit stellt dasselbe Produktionsquantum wechselnde Arbeitszeit dar. Also wechselt auch der Stücklohn, da er Preis-

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also varies, for it is the expression of the price of a definite amount of labor-time. In our earlier example, twenty-four pieces were produced in 12 hours, while the value-product of the 12 hours was \$1.44, the daily value of the labor-power was 72 cents, the price of an hour of labor was 6 cents, and the wage for one piece was 3 cents. Half an hour of labor was absorbed in one piece. If the productivity of labor is now doubled, so that the same working day supplies forty-eight pieces instead of twenty-four, and all other circumstances remain unchanged, then the piece-wage falls from 3 cents to 1 1/2 cents, as every piece now only represents 1/4 instead of 1/2 a working hour. $24 \times 3 \text{ cents} = 72 \text{ cents}$, and, similarly, $48 \times 1\frac{1}{2} \text{ cents} = 72 \text{ cents}$. In other words, the piece-wage is lowered in the same proportion as the number of pieces produced in the same time rises,⁶⁰ and therefore in the same proportion as the amount of labor-time employed on the same piece falls.

⁶⁰ ‘The productive power of his spinning-machine is accurately measured, and the rate of pay for work done with it decreases with though not as, the increase of its productive power’ (Ure, op. cit., p. 317). Ure himself later contradicts this last apologetic phrase. He admits that, for example, a lengthening of the mule causes some increase in the quantity of labor required. The amount of labor does not, therefore, diminish in the same ratio as its productivity increases. Further: ‘By this increase the productive power of the machine will be augmented one-fifth. When this event happens the spinner will not be paid at the same rate for work done as he was before, but as that rate will not be diminished in the ratio of one-fifth, the improvement will augment his money earnings for any given number of hours of work,’ but . . . ‘the foregoing statement requires a certain modification . . . The spinner has to pay something additional for juvenile aid out of his additional sixpence’ (ibid., p. 321). Improvements in machinery also ‘displace a portion of adults’ (ibid.) and this certainly does not tend to raise wages.

ausdruck einer bestimmten Arbeitszeit. In unserem obigen Beispiel wurden in 12 Stunden 24 Stück produziert, während das Wertprodukt der 12 Stunden 6 sh. war, der Tageswert der Arbeitskraft 3 sh., der Preis der Arbeitsstunde 3 d. und der Lohn für ein Stück 1 1/2 d. In einem Stück war 1/2 Arbeitsstunde eingesaugt. Liefert derselbe Arbeitstag nun etwa infolge verdoppelter Produktivität der Arbeit 48 Stück statt 24, und bleiben alle andern Umstände unverändert, so sinkt der Stücklohn von 1 1/2 d. auf 3/4 d., da jedes Stück jetzt nur noch 1/4 statt 1/2 Arbeitsstunde darstellt. $24 \times 1\frac{1}{2} \text{ d.} = 3 \text{ sh.}$ und ebenso $48 \times \frac{3}{4} \text{ d.} = 3 \text{ sh.}$ In anderen Worten: Der Stücklohn wird in demselben Verhältnis heruntergesetzt, worin die Zahl der während derselben Zeit produzierten Stücke wächst,⁶⁰ also die auf dasselbe Stück verwandte Arbeitszeit abnimmt.

⁶⁰ „Die Produktivkraft seiner Spinnmaschine wird genau gemessen und die Bezahlung für die mit ihr geleistete Arbeit vermindert sich *mit*, wenn auch nicht *entsprechend* der Zunahme ihrer Produktivkraft.“ (Ure, l.c. p. 317.) Letztre apologetische Wendung hebt Ure selbst wieder auf. Er gibt zu, daß bei einer Verlängerung der Mule z.B. eine zusätzliche Arbeit aus der Verlängerung entspringt. Die Arbeit nimmt also nicht in dem Maße ab, worin ihre Produktivität wächst. Ferner: „Durch diese Verlängerung wird die Produktivkraft der Maschine um ein Fünftel gesteigert. Daraufhin wird der Spinner nicht mehr zu demselben Satz für geleistete Arbeit bezahlt wie zuvor, aber weil dieser Satz nicht im Verhältnis von einem Fünftel vermindert wird, erhöht die Verbesserung seinen Geldverdienst für jede gegebene Zahl von Arbeitsstunden“—aber, aber—„die vorhergehende Feststellung erfordert eine gewisse Einschränkung . . . der Spinner hat von seinem zusätzlichen halben Schilling etwas für zusätzliche jugendliche Hilfskräfte zu zahlen, und außerdem werden Erwachsene verdrängt“ (l.c. p. 320, 321), was keineswegs eine Tendenz zur Steigerung des Arbeitslohns hat.

21. Piece Wages

Question 782 (*Fri Nov 12–Mon Nov 15*) *How do piece-wages change if productivity rises?*
2009fa, 2008fa, 2008SP, 2007fa, 2007SP.

↓ The practical implementation of these changes leads to frictions:

This change in the piece-wage, so far purely nominal, leads to constant struggles between the capitalist and the worker, either because the capitalist uses it as a pretext for actually lowering the price of labor, or because an increase in the productivity of labor is accompanied by an increase in its intensity, or because the worker takes the outward appearance of piecewages seriously, i.e. he thinks his product is being paid for and not his labor-power, and he therefore resists any reduction of wages which is not accompanied by a reduction in the selling price of the commodity.

‘The operatives … carefully watch the price of the raw material and the price of manufactured goods, and are thus enabled to form an accurate estimate of their master’s profits.’⁶¹

⁶¹ H. Fawcett, *The Economic Position of the British Laborer*, Cambridge and London, 1865, p. 178.

↑ The shared illusion that they are paid for their product, not their labor-power, gives the workers enough cohesion that they can fight against a reduction of these wages. ↓ But the outraged capitalists noisily put them in their place.

700:1 The capitalist rightly rejects such claims as being gross errors as to the nature of wage-labor.⁶² He cries out against this presumptuous attempt to lay taxes on the progress of industry, and declares roundly that the productivity of labor does not concern the worker in the least.⁶³

⁶² In the London *Standard* of 26 October 1861, there is a report of proceedings taken by the firm of John Bright and Co. before the Rochdale magistrates, ‘to prosecute for intimidation the agents of the carpet weavers Trades’ Union. Bright’s partners had introduced new machinery which would turn out 240 yards of carpet in the time and with the labor (!) previously required to produce 160 yards. The workmen had no claim whatever to share in the profits made by the investment of their employer’s capital in mechanical improvements. Accordingly, Messrs Bright proposed to lower the rate of pay from 1 1/2d. per yard to 1d., leaving the earnings of

Dieser Wechsel des Stücklohns, soweit rein nominell, ruft beständige Kämpfe zwischen Kapitalist und Arbeiter hervor. Entweder, weil der Kapitalist den Vorwand benutzt, um wirklich den Preis der Arbeit herabzusetzen, oder weil die gesteigerte Produktivkraft der Arbeit von gesteigerter Intensität derselben begleitet ist. Oder weil der Arbeiter den Schein des Stücklohns, als ob ihm sein Produkt gezahlt werde und nicht seine Arbeitskraft, ernst nimmt und sich daher gegen eine Lohnherabsetzung sträubt, welcher die Herabsetzung im Verkaufspreis der Ware nicht entspricht.

„Die Arbeiter überwachen sorgfältig den Preis des Rohmaterials und den Preis der fabrizierten Güter und sind so fähig, die Profite ihrer Meister genau zu veranschlagen.“⁶¹

⁶¹ H. Fawcett, „*The Economic Position of the British Labourer*“, Cambridge and London 1865, p. 178.

582:2 Solchen Anspruch fertigt das Kapital mit Recht als groben Irrtum über die Natur der Lohnarbeit ab.⁶² Es zetert über diese Anmaßung, Steuern auf den Fortschritt der Industrie zu legen, und erklärt rundweg, daß die Produktivität der Arbeit den Arbeiter überhaupt nichts angeht.⁶³

⁶² Im Londoner „Standard“ vom 26. Oktober 1861 findet man Bericht über einen Prozeß der Firma John Bright et Co. vor den Rochdale Magistrates, „die Vertreter der Trade Union der Teppichweber wegen Einschüchterung gerichtlich zu belangen. Die Teilhaber Brights hatten neue Maschinerie eingeführt, die 240 Yards Teppich in der Zeit und mit der Arbeit (!) produzieren sollten, die früher zur Produktion von 160 Yards erforderlich waren. Die Arbeiter hatten keinerlei Anrecht, an den Profiten teilzuhaben, die durch die Kapitalanlage ihrer Unternehmer in mechanischen Verbesserungen gemacht worden waren. Daher schlugen die Herren Bright vor, den Lohn

21.3. [Piece Wages and Changes in Productivity]

the men exactly the same as before for the same labor. But there was a nominal reduction, of which the operatives, it is asserted, had not fair warning beforehand.'

⁶³ ‘Trades’ unions, in their desire to maintain wages, endeavour to share in the benefits of improved machinery! (Quelle horreur!) ‘The demanding higher wages, because labor is abbreviated, is in other words the endeavour to establish a duty on mechanical improvements’ (On Combinations of Trades new edn, London, 1834, p. 42).

von 1 1/2 d. pro Yard auf 1 d. zu senken, wodurch die Einkünfte der Arbeiter für die gleichen Arbeit genau so blieben wie vorher. Aber das war einen nominelle Herabsetzung, von der die Arbeiter, wie behauptet wird, vorher nicht ehrlich verständigt worden waren.“

⁶³ „Trades Unions in ihrer Sucht, den Arbeitslohn aufrechtzuhalten, suchen an dem Profit verbesserter Maschinerie teilzunehmen!“ (Quelle horreur!) „... sie verlangen höheren Lohn, weil die Arbeit verkürzt ist ... in anderen Worten, sie streben, eine Steuer auf industrielle Verbesserungen zu legen.“ („On Combination of Trades“, New Edit., Lond. 1834, p. 42.)

Question 783 (*Fri Nov 12–Mon Nov 15*) *If the capitalists make higher profits due to technical innovation, should the workers get part of this?* [2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#), [2007SP](#).

23. Simple Reproduction

Here is a brief overview of chapter Twenty-Three:

(1) Every social production process must be periodic or continuous, because the members of society must consume products on an ongoing basis. The production process can be periodic or continuous only if it is a *reproduction process*, i.e., if a part of the products re-enters production and replaces the means of production used up. But this is not all. For capitalism to sustain itself, this reproduction of the means of production must also be reproduction of individual capitals and of the *capital relation itself*.

(2) After these general remarks, Marx defines *simple* reproduction, which is repeated production on the *same scale*. The processes making up social production do not change over time. The only change is that these processes are now seen in their repetition instead of as one-time events. This gives new insights: from this perspective, capitalist production no longer has certain characteristics which it seemed to possess as an isolated process without connection to processes before or after. Marx makes six observations:

(a) Variable capital ceases to be value advanced, because (aa) before the worker consumes he has already produced more than he is allowed to consume, and (ab) the money wage he is paid is financed by the sale of the fruits of his own earlier labor.

(b) Constant capital also ceases to be value advanced, by a different mechanism: as the reproduction goes on, the original capital is consumed by the capitalists and what remains is replaced by the surplus produced by workers.

(c) Since wages do not rise substantially above subsistence level, the separation of the workers from the means of production is reproduced.

(d) Not only the productive but also the individual consumption of the workers becomes a moment of the accumulation of capital. Capitalists therefore benefit twofold (da) of what they give the workers (because this reproduces the working class, the sources of their wealth), and (db) of what they receive from the workers (surplus-value). Marx discusses some ideologies connected with the confusion of these two.

(e) While the working class reproduces themselves, they accumulate skills. As historical concrete evidence Marx tells the story of Mr. Potter, who wanted to outlaw emigration of the skilled workers.

(f) Reproduction of the relations of production. It is no longer an accident that capitalist and laborer confront each other in the market as buyer and seller.

23.1. [Reproduction in General and Reproduction of Capitalism]

711:1 Whatever the social form of the production process, it must either be continuous or periodically go through the same phases.

591:1 Welches immer die gesellschaftliche Form des Produktionsprozesses, er muß kontinuierlich sein oder periodisch stets von neuem dieselben Stadien durchlaufen.

23.1. [Reproduction in General and Reproduction of Capitalism]

It is obvious why a social production process must be either continuous or periodic. In a letter to Kugelmann Marx wrote: “Every child knows, that a nation which ceased to work, I will not say for a year, but even for a few weeks, would perish.” Here in *Capital* Marx formulates it as follows:

A society can no more cease to produce than it can cease to consume.

Sowenig eine Gesellschaft aufhören kann zu konsumieren, kann sie aufhören zu produzieren.

↑ Individuals can consume without producing, but a whole society cannot. Every social production process is necessarily an on-going process. ↓ But we haven’t, until now, looked at it from this point of view. In order to capture those mechanisms which allow the production process to go on continuously or periodically, we must look at social production as a *reproduction process*.

When viewed, therefore, as a connected whole, and in the constant flux of its incessant renewal, every social process of production is at the same time a process of reproduction.

In einem stetigen Zusammenhang und dem beständigen Fluß seiner Erneuerung betrachtet, ist jeder gesellschaftliche Produktionsprozess daher zugleich Reproduktionsprozess.

Any *production* process needs means of production to create a product. Besides availability of the means of production, also other conditions must be satisfied so that it can proceed. A *reproduction* process is, by definition, a production process which replaces the means of production used up and also recreates the other conditions of production, so that production can go on. ↓ Which conditions must a production process satisfy to be a *reproduction* process?

711:2 The conditions of production are at the same time the conditions of reproduction.

591:2 Die Bedingungen der Produktion sind zugleich die Bedingungen der Reproduktion.

↑ Once one knows the conditions necessary for production, one also knows the conditions which must be satisfied by a reproduction process—namely, the reproduction process must *replace* the conditions of production. ↓ The most prominent *material* conditions of production are the means of production, therefore it follows:

No society can produce continually, i.e., reproduce, without continually reconverting a part of its products into means of production or elements of fresh production.

Keine Gesellschaft kann fortwährend produzieren, d.h. reproduzieren, ohne fortwährend einen Teil ihrer Produkte in Produktionsmittel oder Elemente der Neuproduktion rückzuverwandeln.

The French says here something slightly different: “Une société ne peut reproduire, c'est-à-dire

produire d'une manière continue, sans retransformer continuellement une partie de ses

produits en moyens de production, en éléments de nouveaux produits.”

↑ This is not the only condition for reproduction. In 713:1/o Marx mentions another condition of reproduction: the “labor fund” has to be maintained and replaced. ↓ Since all this suggests that somehow *more* has to be produced than the means of consumption of the population, it is natural to look at the quantitative aspect of it right from the beginning:

All other circumstances remaining the same, society can reproduce or maintain its wealth on the existing scale only by replacing the means of production which have been used

Unter sonst gleichbleibenden Umständen kann sie ihren Reichtum nur auf derselben Stufenleiter reproduzieren oder erhalten, indem sie die, während des Jahres z.B.,

23. Simple Reproduction

up—i.e. the instruments of labor, the raw material and the auxiliary substances—with an equal quantity of new articles. These must be separated from the mass of the yearly product, and incorporated once again into the production process.

The reproduction structure is therefore inscribed in the composition of the bundle of *use-values* produced by society:

A specific portion of each year's product belongs therefore to the sphere of production. Destined for productive consumption from the very first, this portion exists, for the most part, in a bodily form which by its very nature excludes the possibility of individual consumption.

↓ After formulating this *general* condition of reproduction, Marx turns to *capitalist* reproduction. On the one hand, reproduction under capitalism is capitalist production which replaces the means of production it uses up. In addition, it must also reproduce the capitalist relations of production themselves.

711:3/o If production has a capitalist form, so too will reproduction.

↑ We know what it means to say that *production* has capitalist form: it means that the capitalist directs production and uses it as a means to create surplus-value. ↓ But Marx adds here that *reproduction* is also done for capitalist interests.

Just as the labor process, in the capitalist mode of production, appears only as a means for the process of valorization, so reproduction appears only as a means for reproducing the value advanced as capital, i.e. as self-valorizing value.

The Moore-Aveling translation of this last sentence draws a parallel to the preceding sentence, which is a good feature, but this translation incorrectly makes the labor process the subject in the latter part of the sentence: “Just as in the former the labour-process figures

verbrauchten Produktionsmittel, d.h. Arbeitsmittel, Rohmateriale und Hilfsstoffe, in natura durch ein gleiches Quantum neuer Exemplare ersetzt, welches von der jährlichen Produktenmasse abgeschieden und von neuem dem Produktionsprozeß einverleibt wird.

Ein bestimmtes Quantum des jährlichen Produkts gehört also der Produktion. Von Haus aus für die produktive Konsumtion bestimmt, existiert es großenteils in Naturformen, die von selbst die individuelle Konsumtion ausschließen.

591:3/o Hat die Produktion kapitalistische Form, so die Reproduktion.

Wie in der kapitalistischen Produktionsweise der Arbeitsprozeß nur als ein Mittel für den Verwertungsprozeß erscheint, so die Reproduktion nur als ein Mittel, den vorgeschobnen Wert als Kapital zu reproduzieren, d.h. als sich verwertenden Wert.

but as a means towards the self-expansion of capital, so in the latter it figures but as a means of reproducing as capital—i.e., as self-expanding value—the value advanced.” Fowkes’s translation is a paraphrase of Moore-Aveling, which echoes the same mistake:

“Just as in the capitalist mode of production the labor process appears only as a means towards the process of valorization, so in the case of reproduction it appears only as a means of reproducing the value advanced as capital, i.e. as self-valorizing value.”

The laws of capital are not fulfilled with a one-time profit, they require the ceaseless making of profits, see 254:1. He can remain capitalist for an extended period of time only because the production process under his direction is at the same time also a reproduction process replacing the means of production used up. He will see to it that reproduction takes place so that he can remain capitalist. And indeed, in every factory there are not only production workers producing the end product, but also maintenance workers fixing and replacing the means of production.

23.1. [Reproduction in General and Reproduction of Capitalism]

Question 785 (Tue Nov 23–Mon Nov 29) Marx writes: “*the labor process, in the capitalist mode of production, appears only as a means for the process of valorization.*” Why does he use the word “appears” here, and why did he put an “only” into this sentence? Shouldn’t he have said “*the labor process is means for the process of valorization*”? [2009fa](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#).

Question 786 (Tue Nov 23–Mon Nov 29) What are the conditions of reproduction of a capitalist system, i.e., which conditions must be satisfied that the capitalist production process can deliver a steady stream of consumption goods for the population and at the same time retain its capitalist character?

The socialist countries did not have very strong mechanisms in place enforcing that social production would be reproduction: there were many half-finished investment projects started by one planner but not finished by his or her successor. In capitalism, a capitalist has the motivation to see his investment projects through: if he does not succeed, he may go bankrupt. This close linkage also has its downside: if individual businesses fail, the reproduction of the entire system may be endangered.

Exam Question 788 How is the capitalist motivated to see to it that the social conditions of reproduction are met? [2007fa](#), [2007SP](#), [2002fa](#).

Question 789 (Tue Nov 23–Mon Nov 29) Marx says that the desire to remain a capitalist causes capitalists to do things which are good for the reproduction of the capitalist economy. Can the goal of firms to maintain themselves as viable capitalist enterprises also be an obstacle to the reproduction of the economy?

However strongly an individual capitalist may wish to remain a capitalist, these wishes will not have a chance to be fulfilled unless they conform with the general laws of capital. But Marx can show that they do conform. This is not surprising. Did they not conform, there would no capitalists around to have these wishes.

We already saw in chapter Four, [252:2/o](#), that the continuous making of profits is aided by the circumstance that qualitatively, the endpoint in the circuit $M - C - M'$ is the same as the beginning point, so that capital emerges from the circuit in a form ready to start the circuit over again. The capitalist, in turn, arranges the production process as a continuous process, in order to be able to remain capitalist.

The economic character mask of a capitalist is fixed to one and the same person only by his money continuing to function as capital.

Die ökonomische Charaktermaske des Kapitalisten hängt nur dadurch an einem Menschen fest, daß sein Geld fortwährend als Kapital funktioniert.

The term “character mask” was introduced in chapter Two, [178:1/o](#), to describe the roles of buyer and seller. Whereas the roles of buyer and seller are not continually attached to the same person—everyone is sometimes buyer and sometimes seller—the character mask of a capitalist has a much more permanent nature. Of course, there is no *guarantee* that a capitalist today will remain capitalist tomorrow, but the structure of capitalist production is such that this is usually the case. And by their efforts to remain capitalists, the capitalists ensure the continuity of the social reproduction process.

↓ With the same persons permanently occupying the role of capitalist, profit becomes a *revenue*:

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If, for instance, a sum of £ 100 has this year been converted into capital, and has produced a surplus-value of £ 20, it must continue during the next year, and subsequent years, to repeat the same operation. As a periodic increment of the value of the capital, or a periodic fruit borne by capital-in-process, surplus-value acquires the form of a revenue arising out of capital.¹

A revenue is a steady flow of income for a given recipient. The footnote illustrates the wondrous character of such a flow:

¹ ‘The rich, who consume the products of the labor of others, can only obtain them by making exchanges’ (purchases of commodities). ‘They therefore seem to be exposed to an early exhaustion of their reserve funds ... But, in the social order, wealth has acquired the power of reproducing itself through the labor of others ... Wealth, like labor, and by means of labor, bears fruit every year, but this fruit can be destroyed every year without making the rich man any poorer thereby. This fruit is the revenue which arises out of capital’ (Sismondi, *Nouveaux Principes d'économie politique*. Paris, 1819, Vol. 1, pp. 81–2).

↑ The self-moving power of capital becomes beneficial for the revenue holder. Revenues are the main point of contact between the economic deep structure and individual interests. Revenues will therefore be discussed more at the end of *Capital III*, when Marx gets ready to speak about classes.

↓ Chapters Twenty-Three and Twenty-Four are organized according to how the revenue of the capitalists is divided into new capital investment and means of consumption.

712:1 If this revenue serves the capitalist only as a fund to provide for his consumption, i.e., if it is consumed as periodically as it is gained, then, other things being equal, simple reproduction takes place.

↑ Marx does not mean to imply here that simple reproduction is a possible mode of operation for capitalism. It can be this only temporarily; in the long run capital must accumulate. Marx makes this simplifying assumption here only because it allows him to identify those characteristics of the capitalist production process which are not due to production, nor due to accumulation, but due to the *continuity* of production. As always, Marx carefully distinguishes which mechanism is responsible for which fact or event.

Exam Question 790 Isn't simple reproduction against the laws of capital, which must accumulate? Why does Marx make an assumption which is at odds with the essence of capitalism?

↓ Marx announces that this change in viewpoint will give new results.

Hat z.B. die vorgeschoßne Geldsumme von 100 Pfd.St. sich dieses Jahr in Kapital verwandelt und einen Mehrwert von 20 Pfd.St. produziert, so muß sie das nächste Jahr usf. dieselbe Operation wiederholen. Als periodisches Inkrement des Kapitalwerts, oder periodische Frucht des prozessierenden Kapitals, erhält der Mehrwert die Form einer aus dem Kapital entspringenden Revenue.¹

¹ „Die Reichen, welche die Produkte der Arbeit anderer verzehren, erhalten sie nur durch Austauschakte (Warenkäufe). Sie scheinen daher einer baldigen Erschöpfung ihrer Reservefonds ausgesetzt ... Aber in der gesellschaftlichen Ordnung hat der Reichtum die Kraft erhalten, sich durch fremde Arbeit zu reproduzieren ... Der Reichtum, wie die Arbeit und durch die Arbeit, liefert eine jährliche Frucht, welche jedes Jahr vernichtet werden kann, ohne daß der Reiche ärmer wird. Diese Frucht ist die Revenue, die aus dem Kapital entspringt.“—(Sismondi, „Nou. Princ. d'Écon. Pol.“, t. 1, p. 81, 82.)

592:1 Dient diese Revenue dem Kapitalisten nur als Konsumtionsfonds oder wird sie ebenso periodisch verzehrt wie gewonnen, so findet, unter sonst gleichbleibenden Umständen, einfache Reproduktion statt.

23.2. [Advances by the Capitalists Cease to Be Advances]

And although this reproduction is a mere repetition of the process of production on the same scale as before, this mere repetition, or continuity, imposes on the process certain new characteristics, or rather, dissolves certain characteristics which the isolated process seems to have.

Obgleich letztere nun bloße Wiederholung des Produktionsprozesses auf derselben Stufenleiter, drückt diese bloße Wiederholung oder Kontinuität dem Prozesse gewisse neue Charaktere auf oder löst vielmehr die Scheincharaktere seines nur vereinzelten Vorgangs auf.

Just like chapter Nineteen, chapter Twenty-Three also discusses misleading appearances of capitalism. How can a process obtain new characteristics by mere repetition? If you look at the manifestations of an underlying “real” mechanism as a continuous process, you may be able to get a more accurate picture of the workings of this mechanisms than if you only see a snapshot of it. Hegel said: “the truth is the whole.” This has more than epistemological relevance. The economic agents make only punctual interactions with the capitalist system, their practical activity is guided by such a snapshot view.

Question 791 (*Tue Nov 23–Mon Nov 29*) Marx claims that the mere repetition, or continuity, of the capitalist production process dissolves certain illusory characteristics possessed by this process in isolation. Give concrete examples of such illusory characteristics, either those which Marx is discussing, or others. [2008fa](#), [2007fa](#), [2007SP](#), [2005fa](#), [2003fa](#), [2002fa](#).

Starting now until the end of the chapter, Marx discusses specific characteristics of the capitalist production process that change if one no longer looks at them from an individualistic and one-time point of view. Although Marx emphasizes continuity as the new angle brought into the discussion, some of Marx’s arguments do not depend on continuity but represent a switch from an individualistic to a social point of view. In at least three places, at the end of [712:2/o](#), and at the beginning of [717:3/o](#) and [719:1](#), Marx says this explicitly.

The changes which Marx points out here can be classified into two categories: (1) Things which appear as advances by the capitalists are no longer advances, and (2) the expanded horizon allows us to see how the separation between the producers and the means of production is reproduced.

23.2. [Advances by the Capitalists Cease to Be Advances]

Marx brings here two arguments, one specific to the variable capital, and one applicable to all capital (as long as the capitalists consume part of their surplus-value).

23.2.a. [Variable Capital is Not Something Advanced by the Capitalists]

One of the main characteristics which capitalism seems to have, and which also seems to justify capitalist profits, is that the capitalist advances the variable capital to the worker. (Remember that the part of the capital advanced for wages is called “variable capital,” see chapter Eight, [317:3](#).)

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Exam Question 793 Why is the part of the capital advanced for wages called “variable capital”? (The answer to this question cannot be inferred from the context here but this is a definition Marx made in chapter Eight.) [2007fa](#), [2005fa](#), [2004fa](#), [2002fa](#), [2001fa](#), [2000fa](#), [1999SP](#).

The means of subsistence of the workers constitute a separate part of social output, the so-called “labor fund.” Marx argues that in all societies, the workers have to produce their own labor fund, and that also in capitalism, this labor fund is *not* something that the capitalists advance to the workers.

[712:2/o](#) The purchase of labor-power for a fixed period is the prelude to the production process. This prelude is repeated again and again as soon as the period of time for which the labor-power has been sold comes to an end, and with it a definite period of production, such as a week or a month, has elapsed. But the worker is not paid until after he has expended his labor-power, and realized both the value of his labor-power and a certain quantity of surplus-value in the shape of commodities. He has therefore produced not only surplus-value, which we for the present regard as a fund to meet the private consumption of the capitalist, but also the variable capital, the fund out of which he himself is paid, before it flows back to him in the shape of wages; and his employment lasts only as long as he continues to reproduce this fund.

When Marx writes “the worker has reproduced the funds out of which he himself is paid,” he does not mean money but the real use-values the worker produces during the working day, which therefore exists before he receives his wage. After a brief theory-critical side remark, which we are skipping here, Marx formulates his conclusion: Since wages are paid *after* the worker has already produced more than an equivalent for them, the capitalist does not advance anything to the worker.

What flows back to the worker in the shape of wages is a portion of the product he himself continuously reproduces.

↑ If the capitalist on pay day were to give the worker a part of the worker’s product, then it would be clear that wages are not an advance to the worker. ↓ But the capitalist gives money to the worker:

The capitalist, it is true, pays him the value of the commodity in money.

[592:2/o](#) Der Produktionsprozeß wird eingeleitet mit dem Kauf der Arbeitskraft für eine bestimmte Zeit, und diese Einleitung erneuert sich beständig, sobald der Verkaufstermin der Arbeit fällig und damit eine bestimmte Produktionsperiode, Woche, Monat usw., abgelaufen ist. Gezahlt wird der Arbeiter aber erst, nachdem seine Arbeitskraft gewirkt und sowohl ihren eignen Wert als den Mehrwert in Waren realisiert hat. Er hat also wie den Mehrwert, den wir einstweilen nur als Konsumtionsfonds des Kapitalisten betrachten, so den Fonds seiner eignen Zahlung, das variable Kapital produziert, bevor es ihm in der Form des Arbeitslohnes zurückfließt, und er wird nur so lange beschäftigt, als er ihn beständig reproduziert.

Es ist ein Teil des vom Arbeiter selbst beständig reproduzierten Produkts, das ihm in der Form des Arbeitslohns beständig zurückfließt.

Der Kapitalist zahlt ihm den Warenwert allerdings in Geld.

↑ Having value in one’s hands is not enough; money is necessary to get the use-values one needs. Money is the proof that the value one has produced indeed satisfies someone’s needs, i.e., that the labor one has spent is socially necessary. And since the capitalist gives money to the worker, while the worker delivers raw value to the capitalist which has not yet gone through this social validation, the question arises whether this conversion from the use-value

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form into the value form is an advance by the capitalist which justifies the profits. ↓ Marx's response is: the money which the capitalist advances to the worker does not originally come from the capitalist, but the capitalist obtained this money from selling the worker's earlier product. I.e., this process is in place without requiring additional input from the capitalist.

But this money is merely the transmuted form of the product of the worker's labor. While he is converting a portion of the means of production into products, a portion of his former product is being turned into money. It is his labor of last week, or of last year, that pays for his labor-power this week or this year.

Dies Geld ist aber nur die verandelte Form des Arbeitsprodukts. Während der Arbeiter einen Teil der Produktionsmittel in Produkt verwandelt, rückverwandelt sich ein Teil seines früheren Produkts in Geld. Es ist seine Arbeit von voriger Woche oder vom letzten halben Jahre, womit seine Arbeit von heute oder vom nächsten halben Jahr gezahlt wird.

The German edition says "labor" both times, while the Moore-Aveling translation says

labor first and then labor-power.
This is one of the places where the Moore-Aveling translation is

better than the German.

In other words, this money does not come from the capitalist but from the worker, but with a time lag. One might think now that the capitalist advances the money at least for the four weeks until the worker's product is sold. Perhaps this is why Marx gives now an alternative argument, which no longer looks at the temporal continuity of the process but broadens the field of vision to society as a whole. If one looks at the social process as a whole, as opposed to how it presents itself to the individual agents, one can see once again that the capitalist does not advance the wages to the worker. When the worker employed in the shoe factory eats bread, then he thinks the whereabouts for the bread are advanced to him by the capitalist. And the worker employed in the bread factory thinks the whereabouts for wearing shoes are advanced to him by the capitalist. But if both workers look at their situation jointly they can see that the capitalists do not advance anything to either of them. Together the workers produce shoes and bread, and when the workers consume shoes and bread, they have already produced more shoes and bread.

The illusion created by the money-form vanishes immediately if, instead of taking a single capitalist and a single worker, we take the whole capitalist class and the whole working class. The capitalist class is constantly giving to the working class drafts, in the form of money, on a portion of the product produced by the latter and appropriated by the former.

Die Illusion, welche die Geldform erzeugt, verschwindet sofort, sobald statt des einzelnen Kapitalisten und des einzelnen Arbeiters Kapitalistenklasse und Arbeiterklasse betrachtet werden. Die Kapitalistenklasse gibt der Arbeiterklasse beständig in Geldform Anweisungen auf einen Teil des von der letzteren produzierten und von der ersten angeeigneten Produkts.

↑ I.e., the capitalists give the workers permission to buy a part of the product back which they have stolen from the workers:

The workers give these drafts back just as constantly to the capitalists, and thereby withdraw from the latter their allotted share of their own product.

Diese Anweisungen gibt der Arbeiter der Kapitalistenklasse ebenso beständig zurück und entzieht ihr damit den ihm selbst zufallenden Teil seines eigenen Produkts.

With all the above, Marx makes the point that the labor fund is not something advanced by the capitalist.

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The commodity-form of the product and the money-form of the commodity veil the transaction.

Die Warenform des Produkts und die Geldform der Ware verkleiden die Transaktion.

The nature of this transaction is the continuous appropriation of the workers' product by the capitalists. On the surface, this transaction presents itself in a veiled or distorted form in two ways:

- exploitation is not visible;
- instead it seems as if the capitalist were advancing the wage to the worker.

At the present time, Marx only makes a brief allusion to the first point which had been made repeatedly before. The commodity form of the product veils exploitation because the worker is not aware that the product he produced has value, because it has not yet been sold. The money form of the commodity veils exploitation because the worker does not see that the money he receives from the capitalist is the money form of value which the worker has produced himself. All this will be developed in much more detail in chapter Twenty-Four, 729:2/o.

Exam Question 794 Explain in your own words how the commodity form of the product and the money form of the commodity veil exploitation. 2007SP, 2005fa, 2004fa, 2003fa, 2002fa, 2001fa, 2000fa, 1999SP.

Once one sees the exploitative nature of the transaction between worker and capitalist, one can also penetrate the illusion that the capitalist advances something to the worker when he gives him the wage. It is true, the "wage fund" is a separate portion of the economy's output, but it is not something which the capitalist gives to the worker:

713:1/o Variable capital is therefore only a particular historical form in which the labor fund appears, the fund for providing the means of subsistence which the worker requires for his own maintenance and reproduction, and which, in all systems of social production, he must himself produce and reproduce. If the labor-fund constantly flows to him in the form of money that pays for his labor, it is because his own product constantly moves away from him in the form of capital.

593:1/o Das variable Kapital ist also nur eine besondere historische Erscheinungsform des Fonds von Lebensmitteln oder des Arbeitsfonds, den der Arbeiter zu seiner Selbsterhaltung und Reproduktion bedarf und den er in allen Systemen der gesellschaftlichen Produktion stets selbst produzieren und reproduzieren muß. Der Arbeitsfonds fließt ihm nur beständig in Form von Zahlungsmitteln seiner Arbeit zu, weil sein eigenes Produkt sich beständig in der Form des Kapitals von ihm entfernt.

The reality of wages is that it is not something the capitalist gives the worker but something the working class themselves produce. The illusion that the variable capital flows to the worker arises only because the worker does not see that his own product flows away from him. The capital which the capitalist uses as pretext to exploit him is the worker's own product.

Exam Question 795 How does the illusion arise that the capitalist advances something to the worker when he pays him a wage? 2008fa, 2008SP, 2005fa, 2002fa, 2001fa, 2000fa, 1999SP.

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If wages are not advanced by the capitalist to the worker, where do they come from? Answer: from the earlier labor of the worker. For this second step in the argument we must look at the production process as a continuous process.

But this form of appearance of the labor-fund does not change the fact that it is the worker's own objectified labor which is advanced to him by the capitalist.³

³ 'When capital is employed in advancing to the workman his wages, it adds nothing to the funds for the maintenance of labor' (Cazenove, in a note to his edition of Malthus's Definitions in Political Economy, London, 1853, p. 22).

In order to clarify this, Marx compares the Let us take a peasant liable to do compulsory labor services. He works on his own land with his own means of production for, say, three days a week. The other three days are devoted to forced labor on the lord's domain. He constantly reproduces his own labor-fund, which never, in his case, takes the form of a money payment for his labor, advanced by another person. But in return his unpaid and forced labor for the lord never acquires the character of voluntary and paid labor. If one, fine morning, the landowner appropriates to himself the plot of land, the cattle, the seed, in short, the means of production of the peasant, the latter will thenceforth be obliged to sell his labor-power to the former. He will, other things being equal, labor six days a week as before, three for himself, three for his former lord, who thenceforth becomes a wage-paying capitalist. As before, he will use up the means of production as means of production, and transfer their value to the product. As before, a definite portion of the product will be devoted to reproduction.

↑ Marx makes a similar argument in chapter Ten, 345:1, regarding corvée. Exploitation is unchanged, only its form is changed, it takes the form of voluntary paid labor. ↓ The advance by the capitalist is likewise a formal superficial artifact.

But from the moment that forced labor is changed into wage-labor, the labor-fund, which the peasant himself continues as before to produce and reproduce, takes the form of a quantity of capital advanced in

Aber diese Erscheinungsform des Arbeitsfonds ändert nichts daran, daß dem Arbeiter seine eigne ver gegenständliche Arbeit vom Kapitalisten vorgeschoßen wird.³

³ „Wenn Kapital verwandt wird, um dem Arbeiter seinen Lohn vorzuschießen, fügt es dem Fonds zur Erhaltung der Arbeit nichts hinzu.“ (Cazenove in Note zu seiner ed. von Malthus' „Definitions in Polit. Econ.“, London 1853, p. 22.)

wage laborer with a bonded peasant:

Nehmen wir einen Fronbauer. Er arbeitet mit seinen eignen Produktionsmitteln auf seinem eignen Acker z.B. 3 Tage in der Woche. Die drei andren Wochentage verrichtet er Fronarbeit auf dem herrschaftlichen Gut. Er reproduziert seinen eignen Arbeitsfonds beständig, und dieser erhält ihm gegenüber nie die Form von einem Dritten für seine Arbeit vorgeschoßner Zahlungsmittel. Im Ersatz erhält auch niemals seine unbezahlte Zwangsarbeit die Form freiwilliger und bezahlter Arbeit. Wenn morgen der Gutsherr den Acker, das Zugvieh, die Samen, kurz die Produktionsmittel des Fronbauern sich selbst aneignet, so hat dieser von nun an seine Arbeitskraft an den Fronherrn zu verkaufen. Unter sonst gleichbleibenden Umständen wird er nach wie vor 6 Tage in der Woche arbeiten, 3 Tage für sich selbst, 3 für den Exfronherrn, der jetzt in einen Lohnherrn verwandelt ist. Er wird nach wie vor die Produktionsmittel als Produktionsmittel vernutzen und ihren Wert auf das Produkt übertragen. Nach wie vor wird ein bestimmter Teil des Produkts in die Reproduktion eingehen.

Wie aber die Fronarbeit die Form der Lohnarbeit, nimmt der vom Fronbauer nach wie vor produzierte und reproduzierte Arbeitsfonds die Form eines ihm vom Fronherrn vorgeschoßnen Kapitals an.

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the form of wages by the lord of the land.

↓ Now an entirely different argument:

The bourgeois economist, whose limited brain is unable to separate the form of appearance from the thing which appears within that form, shuts his eyes to the fact that even at the present time the labor-fund only crops up exceptionally on the face of the globe in the form of capital.⁴

⁴ ‘The wages of labor are advanced by capitalists in the case of less than one-fourth of the laborers of the earth’ (Richard Jones, Textbook of Lectures on the Political Economy of Nations, Hertford, 1852, p. 36).

Der bürgerliche Ökonom, dessen beschränktes Hirn die Erscheinungsform von dem, was darin erscheint, nicht trennen kann, schließt die Augen vor der Tatsache, daß selbst noch heutzutag der Arbeitsfonds nur ausnahmsweise auf dem Erdrund in der Form von Kapital auftritt.⁴

⁴ „Die Subsistenzmittel der Arbeiter werden noch nicht auf einem Viertel der Erde den Arbeitern durch Kapitalisten vorgeschnossen.“ (Richard Jones, „Textbook of Lectures on the Polit. Economy of Nations“, Hertford 1852, p. 36.)

23.2.b. [Any Initial Advances by the Capitalists Replaced by Surplus-Value]

Next, Marx addresses a possible objection to the argument just made about the wage fund: certainly the *original* wage advanced by the *first* capitalist must have been a true advance.

714:1 Variable capital, it is true, only then loses its character of a value advanced out of the capitalist's funds,⁵ when we view the process of capitalist production in the flow of its constant renewal. But that process must have had a beginning of some kind. From our present standpoint it therefore seems likely that the capitalist, once upon a time, became possessed of money, by some accumulation that took place independently of the unpaid labor of others, and that this was, therefore, how he was enabled to frequent the market as a buyer of labor-power.

A comprehensive answer to the question of the initial advances will be given in the chapter about original accumulation. At the present time Marx brings an argument according to which, *regardless* of what happened at the beginning, the continuity of the production process over time whittles down any initial contributions from the capitalist. This argument applies not only to wages but to every advance by the capitalists.

However this may be, the mere continuity of the process, the simple reproduction, brings about some other wonderful changes, which affect not only the variable, but the total capital.

714:2/o If a capital of £1,000 beget yearly a surplus-value of £200, and if this surplus-value be consumed every year, it is clear

594:1 Allerdings verliert das variable Kapital nur den Sinn eines aus dem eigenen Fonds des Kapitalisten vorgeschoßnen Wertes,^{4a} sobald wir den kapitalistischen Produktionsprozeß im beständigen Fluß seiner Erneuerung betrachten. Aber er muß doch irgendwo und irgendwann anfangen. Von unserem bisherigen Standpunkt ist es daher wahrscheinlich, daß der Kapitalist irgendeinmal durch irgendeine, von unbezahlter fremder Arbeit unabhängige, ursprüngliche Akkumulation Geldbesitzer ward und daher den Markt als Käufer von Arbeitskraft beschreiten konnte.

Indes bewirkt die bloße Kontinuität des kapitalistischen Produktionsprozesses, oder die einfache Reproduktion, noch andre sonderbare Wechsel, die nicht nur den variablen Kapitalteil ergreifen, sondern das Gesamtkapital.

594:2 Beträgt der mit einem Kapital von 1000 Pfd.St. periodisch, z.B. jährlich, erzeugte Mehrwert 200 Pfd.St. und wird die-

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that at the end of 5 years the surplus-value consumed will amount to $5 \times £200$ or the £1,000 originally advanced. If only a part, say one half, were consumed, the same result would follow at the end of 10 years, since $10 \times £100 = £1,000$. General Rule: The value of the capital advanced divided by the surplus-value annually consumed, gives the number of years, or reproduction periods, at the expiration of which the capital originally advanced has been consumed by the capitalist and has disappeared. The capitalist thinks, that he is consuming the produce of the unpaid labor of others, i.e., the surplus-value, and is keeping intact his original capital; but what he thinks cannot alter facts.

Der Mehrwert jährlich verzehrt, so ist es klar, daß nach fünfjähriger Wiederholung desselben Prozesses die Summe des verzehrten Mehrwerts = 5×200 ist oder gleich dem ursprünglich vorgeschoßnen Kapitalwert von 1000 Pfd.St. Würde der jährliche Mehrwert nur teilweise verzehrt, z.B. nur zur Hälfte, so ergäbe sich dasselbe Resultat nach zehnjähriger Wiederholung des Produktionsprozesses, denn $10 \times 100 = 1000$. Allgemein: Der vorgeschoßne Kapitalwert, dividiert durch den jährlich verzehrten Mehrwert, ergibt die Jahresanzahl oder die Anzahl von Reproduktionsperioden, nach deren Ablauf das ursprünglich vorgeschoßne Kapital vom Kapitalisten aufgezehrt und daher verschwunden ist. Die Vorstellung des Kapitalisten, daß er das Produkt der fremden unbezahlten Arbeit, den Mehrwert, verzehrt und den ursprünglichen Kapitalwert erhält, kann absolut nichts an der Tatsache ändern.

Question 796 (Tue Nov 23–Mon Nov 29) *Does the capitalist, who started a business with his own capital, preserve this capital while consuming surplus-value, or does he consume his original capital and replace it with accumulated surplus-value?* [2009fa](#), [2008fa](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#).

After the lapse of a certain number of years, the capital value he then possesses is equal to the sum total of the surplus-value appropriated by him during those years, and the total value he has consumed is equal to that of his original capital. It is true, he has in hand a capital whose amount has not changed, and of which a part, viz., the buildings, machinery, etc., were already there when the work of his business began. But what we have to do with here, is not the material elements, but the value, of that capital.

Nach Abfluß einer gewissen Jahreszahl ist der von ihm geeignete Kapitalwert gleich der Summe des während derselben Jahreszahl ohne Äquivalent angeeigneten Mehrwerts und die von ihm verzehrte Wertsumme gleich dem ursprünglichen Kapitalwert. Allerdings behält er in der Hand ein Kapital, dessen Größe sich nicht verändert hat, wovon ein Teil, Gebäude, Maschinen usw., bereits vorhanden war, als er sein Geschäft in Gang brachte. Aber hier handelt es sich vom Wert des Kapitals und nicht von seinen materiellen Bestandteilen.

The debtor example describes an analogous situation; there is no implication that the capitalist himself owes anything.

When a person gets through all his property, by taking upon himself debts equal to the value of that property, it is clear that his property represents nothing but the sum total of his debts. And so it is with the capitalist; after he has consumed the equivalent of

Wenn jemand sein ganzes Besitztum aufzehrt dadurch, daß er Schulden aufnimmt, die dem Wert dieses Besitztums gleichkommen, so repräsentiert eben das ganze Besitztum nur die Gesamtsumme seiner Schulden. Und ebenso, wenn der Kapitalist das

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his original capital, the value of his present capital merely represents the sum total of surplus-value appropriated by him without payment. Not a single atom of the value of his old capital continues to exist.

Äquivalent seines vorgeschoßnen Kapitals aufgezehrt hat, repräsentiert der Wert dieses Kapitals nur noch die Gesamtsumme des von ihm unentgeltlich angeeigneten Mehrwerts. Kein Wertatom seines alten Kapitals existiert fort.

Question 797 (Tue Nov 23–Mon Nov 29) Explain the following passage: “After the capitalist has consumed the equivalent of his original capital, the value of his present capital merely represents the sum total of surplus-value appropriated by him without payment. Not a single atom of the value of his old capital continues to exist.” [2009fa](#), [2008fa](#), [2007fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#).

715:1/o Apart then from all accumulation, the mere continuity of the process of production, in other words simple reproduction, sooner or later, and of necessity, converts every capital into accumulated capital, or capitalised surplus-value. Even if that capital was originally acquired by the personal labor of its employer, it sooner or later becomes value appropriated without an equivalent, the unpaid labor of others materialised either in money or in some other object.

This method of calculation also suggests a fair strategy for the transfer of the ownership of the means of production from the capitalists to the working class in socialism: the capitalists are allowed to eat up an equivalent of their equity in the means of production, but they are no longer allowed to appropriate new surplus-value or exercise control over the means of production.

595:1 Ganz abgesehn von aller Akkumulation verwandelt also die bloße Kontinuität des Produktionsprozesses, oder die einfache Reproduktion, nach kürzerer oder längerer Periode jedes Kapital notwendig in akkumuliertes Kapital oder kapitalisierten Mehrwert. War es selbst bei seinem Eintritt in den Produktionsprozeß persönlich erarbeitetes Eigentum seines Anwenders, früher oder später wird es ohne Äquivalent angeeigneter Wert oder Materiatur, ob in Geldform oder anders, unbezahlter fremder Arbeit.

23.3. [Reproduction of the Separation of the Producers from the Means of Production]

¶ Marx said already in [270:1](#) in chapter Six that the separation between producer and means of production is a condition for capitalism.

We saw in chapter Six that in order to convert money into capital something more is required than the production and circulation of commodities. We saw that on the one side the possessor of value or money, on the other, the possessor of the value-creating substance; on the one side, the possessor of the means of production and subsistence, on the other, the possessor of nothing but labor-power, must confront one another as buyer and seller. The separation of labor from

595:2 Wir sahen im vierten Kapitel: Um Geld in Kapital zu verwandeln, genügte nicht das Vorhandensein von Warenproduktion und Warenzirkulation. Es mußten erst, hier Besitzer von Wert oder Geld, dort Besitzer der wertschaffenden Substanz; hier Besitzer von Produktions- und Lebensmitteln, dort Besitzer von nichts als Arbeitskraft, einander als Käufer und Verkäufer gegenübertreten. Scheidung zwischen dem Arbeitsprodukt und der Arbeit selbst, zwi-

23.3. [Reproduction of Separation of Producers from Means of Production]

its product, of subjective labor-power from the objective conditions of labor, was therefore the actually given foundation, and the starting-point of capitalist production.

716:1 But that which at first was but a starting-point, becomes, by the mere continuity of the process, by simple reproduction, the result, constantly renewed and perpetuated, of capitalist production itself.

The remainder of chapter Twenty-Three shows how this separation is reproduced by ongoing capitalist production.

↓ The production process enriches the capitalist but reproduces the worker in his/her neediness.

On the one hand, the process of production incessantly converts material wealth into capital, into means of creating more wealth and means of enjoyment for the capitalist. On the other hand, the laborer, on quitting the process, is what he was on entering it, a source of wealth, but devoid of all means of making that wealth his own.

↓ In one of the few passages in *Capital* where Marx talks about alienation, the worker's dilemma is framed as the dialectic of alienation: The worker's alienation as a state (separation from the means of production) leads to his alienation as a process (he produces for others), which reinforces his state of alienation again, so that the process as a whole is one in which the laborer himself produces that which oppresses him.

Since, before entering on the process, his own labor has already been alienated from himself by the sale of his labor-power, has been appropriated by the capitalist and incorporated with capital, it must, during the process, be realised in a product that does not belong to him. Since the process of production is also the process by which the capitalist consumes labor-power, the product of the laborer is incessantly converted, not only into commodities, but into capital, into value that sucks up the value-creating power, into means of subsistence that buy the person of the laborer, into means of production that command the producers.⁶ The laborer therefore constantly produces material, objective wealth, but in the form of capital, of an alien power that dominates and

schen den objektiven Arbeitsbedingungen und der subjektiven Arbeitskraft, war also die tatsächlich gegebne Grundlage, der Ausgangspunkt des kapitalistischen Produktionsprozesses.

595:3/o Was aber anfangs nur Ausgangspunkt war, wird vermittelst der bloßen Kontinuität des Prozesses, der einfachen Reproduktion, stets aufs neue produziert und verewigt als eigenes Resultat der kapitalistischen Produktion.

Einseitig verwandelt der Produktionsprozeß fortwährend den stofflichen Reichtum in Kapital, in Verwertungs- und Genußmittel für den Kapitalisten. Anderseits kommt der Arbeiter beständig aus dem Prozeß heraus, wie er in ihn eintrat—persönliche Quelle des Reichtums, aber entblößt von allen Mitteln, diesen Reichtum für sich zu verwirklichen.

Da vor seinem Eintritt in den Prozeß seine eigene Arbeit ihm selbst entfremdet, dem Kapitalisten angeeignet und dem Kapital einverleibt ist, vergegenständlicht sie sich während des Prozesses beständig in fremdem Produkt. Da der Produktionsprozeß zugleich der Konsumsprozeß der Arbeitskraft durch den Kapitalisten, verwandelt sich das Produkt des Arbeiters nicht nur fortwährend in Ware, sondern in Kapital, Wert, der die wertschöpfende Kraft aussaugt, Lebensmittel, die Personen kaufen, Produktionsmittel, die den Produzenten anwenden.⁵ Der Arbeiter selbst produziert daher beständig den objektiven Reichtum als Kapital, ihm fremde, ihn beherrschende und ausbeutende Macht, und der Kapitalist produziert ebenso beständig die Arbeitskraft

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exploits him: and the capitalist as constantly produces labor-power, but in the form of a subjective source of wealth, separated from the objects in and by which it can alone be realised; in short he produces the laborer, but as a wage-laborer.⁷ This incessant reproduction, this perpetuation of the laborer, is the *sine qua non* of capitalist production.

↑ Production leads here to disempowerment instead of more wealth and power. But by his emphasis that the worker himself is the one who produces capital, Marx of course also implies that the workers can cease to produce capital. This summary paragraph can be considered the climax of the chapter. The rest of the chapter contains the elaboration, in much more detail, of the connections spelled out here.

als subjektive, von ihren eignen Vergegenständlichungs- und Verwirklichungsmitteln getrennte, abstrakte, in der bloßen Leiblichkeit des Arbeiters existierende Reichtumsquelle, kurz den Arbeiter als Lohnarbeiter.⁶ Diese beständige Reproduktion oder Verewigung des Arbeiters ist das *sine qua non* der kapitalistischen Produktion.

23.3.a. [The Worker's Consumption Benefits Capital and not the Worker]

First Marx takes a closer look at the consumption of the workers. He begins with the basic distinction between productive and individual consumption:

717:1 The laborer consumes in a two-fold way. While producing he consumes by his labor the means of production, and converts them into products with a higher value than that of the capital advanced. This is his productive consumption. It is at the same time consumption of his labor-power by the capitalist who bought it. On the other hand, the laborer turns the money paid to him for his labor-power, into means of subsistence: this is his individual consumption.

596:1/o Die Konsumtion des Arbeiters ist doppelter Art. In der Produktion selbst konsumiert er durch seine Arbeit Produktionsmittel und verwandelt sie in Produkte von höherem Wert als dem des vorgeschoßnen Kapitals. Dies ist seine produktive Konsumtion. Sie ist gleichzeitig Konsumtion seiner Arbeitskraft durch den Kapitalisten, der sie gekauft hat. Andrseits verwendet der Arbeiter das für den Kauf der Arbeitskraft gezahlte Geld in Lebensmittel: dies ist seine individuelle Konsumtion.

Is there a typo in the last sentence?
“Verwendet” does not go together
with “in”: should it be

“Andrseits verwandelt” instead
of “Andrseits verwendet?” The
French says: “l'argent est

dépensé,” which does not
conclusively decide between
verwendet and verwandelt.

French is here p. 53:1 in second

half volume.

From an individualistic point of view (which is appropriate if one talks about consumption) these two kinds of consumption are quite different:

The laborer's productive consumption, and his individual consumption, are therefore totally distinct. In the former, he acts as the motive power of capital, and belongs to the capitalist. In the latter, he belongs to himself, and performs his necessary vital functions outside the process of production. The result of the one is, that the capitalist lives;

Die produktive und die individuelle Konsumtion des Arbeiters sind also total verschieden. In der ersten handelt er als bewegende Kraft des Kapitals und gehört dem Kapitalisten; in der zweiten gehört er sich selbst und verrichtet Lebensfunktionen außerhalb des Produktionsprozesses. Das Resultat der einen ist das Leben des Kapitali-

23.3. [Reproduction of Separation of Producers from Means of Production]

of the other, that the laborer lives.

↓ Despite this difference between individual and productive consumption, there are instances in capitalism where the worker's individual consumption looks empirically just like productive consumption:

717:2 When treating of the working-day, we saw that the laborer is often compelled to make his individual consumption a mere incident of production. In such a case, he supplies himself with necessities in order to maintain his labor-power, just as coal and water are supplied to the steam-engine and oil to the wheel. His means of consumption, in that case, are the mere means of consumption required by a means of production; his individual consumption is directly productive consumption. This, however, appears as an abuse which is inessential for capitalist production.⁷

sten, das der andern ist das Leben des Arbeiters selbst.

597:1 Bei Betrachtung des „Arbeitstags“ usw. zeigte sich gelegentlich, daß der Arbeiter oft gezwungen ist, seine individuelle Konsumtion zu einem bloßen Inzident des Produktionsprozesses zu machen. In diesem Fall setzt er sich Lebensmittel zu, um seine Arbeitskraft im Gang zu halten, wie der Dampfmaschine Kohle und Wasser, dem Rad Öl zugesetzt wird. Seine Konsumtionsmittel sind dann bloß Konsumtionsmittel eines Produktionsmittels, seine individuelle Konsumtion direkt produktive Konsumtion. Dies erscheint jedoch als ein dem kapitalistischen Produktionsprozeß unwesentlicher Mißbrauch.⁷

Marx is about to explain, in the next paragraph, that in capitalism the worker's individual consumption is indeed productive consumption for the capitalist, because it is the maintenance of the capitalist's most productive machine. However it is not necessary for capitalism that this fact manifests itself on the surface in such a direct way that the worker consumes while he or she is working. On the contrary, this has many disadvantages. Not only that the bread crumbs fall into the product, but the feeding on the job foregoes one of the features of capitalism which makes it so efficient: the workers' willing responsibility for their own consumption. Situations in which the worker has to eat while he or she is working fall into the same category as price gouging, organized crime, the illegal drug business, etc.: they are against the rules because they manifest the inner tendencies of capital too openly and directly, without the mediating steps which make capitalism such a smooth system of exploitation.

The Fowkes translation did not get this at all: "This, however, appears to be an abuse not essentially appertaining to capitalist

production."

Question 800 (Tue Nov 23–Mon Nov 29) *Sometimes a worker has to eat while working, like a machine which needs fuel in order to keep going. Marx comments that “this, however, appears as an abuse.” Why didn't he write “this, however, is an abuse”?* [2008fa](#), [2008SP](#), [2007SP](#), [2004fa](#), [2003fa](#), [2002fa](#).

Question 801 (Tue Nov 23–Mon Nov 29) *Why did Marx even mention it here if it is only an “inessential abuse”?* [2009fa](#), [2008fa](#), [2007SP](#), [2004fa](#), [2003fa](#).

Nevertheless, this superficial irregularity is a sign of deeper connections. If one looks at the matter socially instead of individually, the separation between private and “productive” consumption of the worker disappears:

717:3/o The matter takes quite another aspect, when we contemplate, not the single

597:2/o Anders sieht die Sache aus, sobald wir nicht den einzelnen Kapitali-

23. Simple Reproduction

capitalist, and the single laborer, but the capitalist class and the laboring class, not an isolated process of production, but capitalist production in full swing, and on its actual social scale. By converting part of his capital into labor-power, the capitalist augments the value of his entire capital. He kills two birds with one stone. He profits, not only by what he receives from but also by what he gives to, the laborer.

sten und den einzelnen Arbeiter betrachten, sondern die Kapitalistenklasse und die Arbeiterklasse, nicht den vereinzelten Produktionsprozeß der Ware, sondern den kapitalistischen Produktionsprozeß in seinem Fluß und in seinem gesellschaftlichen Umfang.—Wenn der Kapitalist einen Teil seines Kapitals in Arbeitskraft umsetzt, verwertet er damit sein Gesamtkapital. Er schlägt zwei Fliegen mit einer Klappe. Er profitiert nicht nur von dem, was er vom Arbeiter empfängt, sondern auch von dem, was er ihm gibt.

Question 802 (Tue Nov 23–Mon Nov 29) Whenever Marx contemplates both social and individual points of view, he acts as if the social point of view was the true point of view. Is this justified? [2008fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#).

Question 803 (Tue Nov 23–Mon Nov 29) Explain the sentence in [717:3/o](#): The capitalist profits, not only by what he receives from but also by what he gives to, the laborer. [2008fa](#), [2008SP](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#).

The capital given in exchange for labor-power is converted into necessities, by the consumption of which the muscles, nerves, bones, and brains of existing laborers are reproduced, and new laborers are begotten. Within the limits of what is strictly necessary, the individual consumption of the working-class is, therefore, the reconversion of the means of subsistence given by capital in exchange for labor-power, into fresh labor-power at the disposal of capital for exploitation. It is the production and reproduction of that means of production so indispensable to the capitalist: the laborer himself.

This is true whether or not the worker consumes during the production process: The individual consumption of the laborer, whether it proceed within the workshop or outside it, whether it be part of the process of production or not, forms therefore a factor of the production and reproduction of capital; just as cleaning machinery does, whether it be done while the machinery is working or while it is standing.

Das im Austausch gegen Arbeitskraft veräußerte Kapital wird in Lebensmittel verwandelt, deren Konsumtion dazu dient, Muskel, Nerven, Knochen, Hirn vorhandner Arbeiter zu reproduzieren und neue Arbeiter zu zeugen. Innerhalb der Grenzen des absolut Notwendigen ist daher die individuelle Konsumtion der Arbeiterklasse Rückverwandlung der vom Kapital gegen Arbeitskraft veräußerten Lebensmittel in vom Kapital neu exploitierbare Arbeitskraft. Sie ist Produktion und Reproduktion des dem Kapitalisten unentbehrlichsten Produktionsmittels, des Arbeiters selbst.

Die individuelle Konsumtion des Arbeiters bleibt also ein Moment der Produktion und Reproduktion des Kapitals, ob sie innerhalb oder außerhalb der Werkstatt, Fabrik usw., innerhalb oder außerhalb des Arbeitsprozesses vorgeht, ganz wie die Reinigung der Maschine, ob sie während des Arbeitsprozesses oder bestimmter Pausen desselben geschieht.

↑ This was an analogy which no longer clarifies, because customs have changed: it was conventional that workers cleaned their machines on their own time.

23.3. [Reproduction of Separation of Producers from Means of Production]

↓ The workers' satisfaction from consumption and therefore their motivation to consume and procreate does not change the deeper social connections:

The fact that the laborer consumes his means of subsistence for his own sake, and not for the sake of the capitalist, has no bearing on the matter. The consumption of food by a beast of burden is none the less a necessary factor in the process of production, because the beast enjoys what it eats. The maintenance and reproduction of the working-class is, and must ever be, a necessary condition for the reproduction of capital.

The workers' individual motivation is even advantageous for the capitalist, because the capitalist does not have to feed and house the worker but paying him a wage is sufficient. The worker is so good at making the best use of the pay that no special incentives are needed to induce the worker to take care of himself. On the contrary, often the capitalists make it difficult for the workers to meet their needs by cutting wages to the bare minimum.

But the capitalist may safely leave the satisfaction of this condition to the laborer's instincts of self-preservation and of propagation. All the capitalist cares for, is to reduce the laborer's individual consumption as far as possible to what is strictly necessary, and he is far away from imitating those brutal South Americans, who force their laborers to take the more substantial, rather than the less substantial, kind of food.⁸

⁸ "The laborers in the mines of S. America, whose daily task (the heaviest perhaps in the world) consists in bringing to the surface on their shoulders a load of metal weighing from 180 to 200 pounds, from a depth of 450 feet, live on broad and beans only; they themselves would prefer the bread alone for food, but their masters, who have found out that the men cannot work so hard on bread, treat them like horses, and compel them to eat beans; beans, however, are relatively much richer in bone-earth (phosphate of lime) than is bread." (Liebig, l.c., vol. 1., p. 194, note.)

Es tut nichts zur Sache, daß der Arbeiter seine individuelle Konsumtion sich selbst und nicht dem Kapitalisten zulieb vollzieht. So bleibt der Konsum des Lastviehs nicht minder ein notwendiges Moment des Produktionsprozesses, weil das Vieh selbst genießt, was es fräßt. Die beständige Erhaltung und Reproduktion der Arbeiterklasse bleibt beständige Bedingung für die Reproduktion des Kapitals.

Der Kapitalist kann ihre Erfüllung getrost dem Selbsterhaltungs- und Fortpflanzungstrieb der Arbeiter überlassen. Er sorgt nur dafür, ihre individuelle Konsumtion möglichst auf das Notwendige einzuschränken, und ist himmelweit entfernt von jener südamerikanischen Rohheit, die den Arbeiter zwingt, substanzellere statt weniger substanzeller Nahrungsmittel einzunehmen.⁸

⁸ „Die Arbeiter in den Bergwerken Südamerikas, deren tägliches Geschäft (das schwerste vielleicht in der Welt) darin besteht, eine Last Erz, im Gewicht von 100 bis 200 Pfund, aus einer Tiefe von 450 Fuß auf ihren Schultern zutage zu fördern, leben nur noch von Brot und Bohnen; sie würden das Brot allein zur Nahrung vorziehn, allein ihre Herrn, welche gefunden haben, daß sie mit Brot nicht so stark arbeiten können, behandeln sie wie Pferde und zwingen sie, die Bohnen zu essen; die Bohnen sind aber verhältnismäßig an Knochenerde weit reicher als das Brot. (Liebig, l.c., 1. Theil, p. 194, Note.)

Question 804 (Tue Nov 23–Mon Nov 29) In chapter Twenty-Three, Marx argues that the workers' individual consumption benefits the capitalist because it is the reproduction of the capitalist's most indispensable means of production. Does the workers' consumption also benefit the capitalist because this creates a market for the goods the capitalists have to sell? 2008fa, 2007SP, 2004fa, 2003fa, 2002fa, 2001fa, 1999SP.

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The interest of the capitalists to keep wages low is reflected in the language they use. Consumption which exceeds the minimum is called “unproductive consumption.”

718:1/o Hence both the capitalist and his ideologist, the political economist, consider that part alone of the laborer's individual consumption to be productive, which is requisite for the perpetuation of the class, and which therefore must take place in order that the capitalist may have labor-power to consume; what the laborer consumes for his own pleasure beyond that part, is unproductive consumption.⁹ If the accumulation of capital were to cause a rise of wages and an increase in the laborer's consumption, unaccompanied by increase in the consumption of labor-power by capital, the additional capital would be consumed unproductively.¹⁰

⁹ James Mill, l.c., p. 238.

¹⁰ “If the price of labor should rise so high that, notwithstanding the increase of capital, no more could be employed, I should say that such increase of capital would be still unproductively consumed.” (Ricardo, l.c., p. 163.)

Marx picks up the question whether the consumption of the worker is unproductive and turns it around: it is unproductive for the worker himself!

In reality, the individual consumption of the laborer is unproductive for himself, for it reproduces nothing but the needy individual; it is productive to the capitalist and to the State, since it is the production of the power that creates the wealth of others.¹¹

Interesting that Marx includes the state here

¹¹ “The only productive consumption, properly so called, is the consumption or destruction of wealth” (he alludes to the means of production) “by capitalists with a view to reproduction . . . The workman . . . is a productive consumer to the person who employs him, and to the State, but not, strictly speaking, to himself.” (Malthus' “Definitions, etc.”, p. 30.)

598:1 Daher betrachtet auch der Kapitalist und sein Ideolog, der politische Ökonom, nur den Teil der individuellen Konsumtion des Arbeiters als produktiv, der zur Verewigung der Arbeiterklasse erheischt ist, also in der Tat verzehrt werden muß, damit das Kapital die Arbeitskraft verzehre; was der Arbeiter außerdem zu seinem Vergnügen verzehren mag, ist unproduktive Konsumtion.⁹ Würde die Akkumulation des Kapitals eine Erhöhung des Arbeitslohns und daher Vermehrung der Konsumtionsmittel des Arbeiters verursachen ohne Konsum von mehr Arbeitskraft durch das Kapital, so wäre das zusätzliche Kapital unproduktiv konsumiert.¹⁰

⁹ James Mill, l.c. p. 238 sqq.

¹⁰ „Steige der Preis der Arbeit so hoch, daß trotz des Zuwachses von Kapital nicht mehr Arbeit angewandt werden könnte, so würde ich sagen, daß solcher Zuwachs von Kapital unproduktiv konsumiert wird.“ (Ricardo, l.c. p. 163.)

In der Tat: die individuelle Konsumtion des Arbeiters ist für ihn selbst unproduktiv, denn sie reproduziert nur das bedürftige Individuum; sie ist produktiv für den Kapitalisten und den Staat, denn sie ist Produktion der den fremden Reichtum produzierenden Kraft.¹¹

too (but he has this from the Malthus quote).

¹¹ „Die einzige produktive Konsumtion im eigentlichen Sinn ist die Konsumtion oder Zerstörung von Reichtum“ (er meint den Verbrauch der Produktionsmittel) „durch Kapitalisten zum Zwecke der Reproduktion . . . Der Arbeiter . . . ist ein produktiver Konsument für die Person, die ihn anwendet, und für den Staat, aber, genau gesprochen, nicht für sich selbst.“ (Malthus, „Definitions etc.“, p. 30.)

Question 806 (Tue Nov 23–Mon Nov 29) Regarding the question to what extent consumption is productive, Marx says that the individual consumption of the laborer is unproductive for the laborer, but productive for the capitalist and the state. Comment on this. [2008SP](#), [2007SP](#), [2005fa](#), [2003fa](#), [2002fa](#), [2001fa](#), [2000fa](#), [1999SP](#).

23.3. [Reproduction of Separation of Producers from Means of Production]

23.3.b. [Individual Consumption Keeps the Worker Hostage of Capital]

First a two-sentence summary of the argument just made:

719:1 From a social point of view, therefore, the working-class, even when not directly engaged in the labor-process, is just as much an appendage of capital as the ordinary instruments of labor. Even its individual consumption is, within certain limits, a mere factor in the process of reproduction of capital.

Next thought: the fact that the reproduction of labor-power takes the form of the worker's individual consumption is beneficial for capital: it motivates the workers to sell themselves to capital.

That process, however, takes good care to prevent these self-conscious instruments from leaving it in the lurch, for it removes their product, as fast as it is made, from their pole to the opposite pole of capital. Individual consumption provides, on the one hand, the means for their maintenance and reproduction; on the other hand, it secures by the annihilation of the necessities of life, the continued re-appearance of the workman in the labor-market. The Roman slave was held by fetters; the wage-laborer is bound to his owner by invisible threads. The appearance of independence is kept up by means of a constant change of employers, and by the *fictio juris* of a contract.

As a proof that this is an actual concern for the capitalist, Marx cites laws forbidding emigration:

719:2 In former times, capital resorted to legislation, whenever necessary, to enforce its proprietary rights over the free laborer. For instance, down to 1815, the emigration of mechanics employed in machine making was, in England, forbidden, under grievous pains and penalties.

In this case, emigration was not forbidden because of the loss of the workers themselves. There was a surplus of warm bodies. But the capitalists feared the loss of the skills which these particular workers had acquired. Before continuing to discuss these laws, Marx therefore says something about this, it is a new aspect of reproduction:

598:2 Von gesellschaftlichem Standpunkt ist also die Arbeiterklasse, auch außerhalb des unmittelbaren Arbeitsprozesses, ebenso sehr Zubehör des Kapitals als das tote Arbeitsinstrument. Selbst ihre individuelle Konsumtion ist innerhalb gewisser Grenzen nur ein Moment des Reproduktionsprozesses des Kapitals.

Der Prozeß aber sorgt dafür, daß diese selbstbewußten Produktionsinstrumente nicht wegläufen, indem er ihr Produkt beständig von ihrem Pol zum Gegenpol des Kapitals entfernt. Die individuelle Konsumtion sorgt einerseits für ihre eigene Erhaltung und Reproduktion, andererseits durch Vernichtung der Lebensmittel für ihr beständiges Wiedererscheinen auf dem Arbeitsmarkt. Der römische Sklave war durch Ketten, der Lohnarbeiter ist durch unsichtbare Fäden an seinen Eigentümer gebunden. Der Schein seiner Unabhängigkeit wird durch den beständigen Wechsel der individuellen Lohnherrn und die *fictio juris* des Kontrakts aufrechterhalten.

599:1 Früher machte das Kapital, wo es ihm nötig schien, sein Eigentumsrecht auf den freien Arbeiter durch Zwangsgesetz geltend. So war z.B. die Emigration der Maschinenarbeiter in England bis 1815 bei schwerer Strafe verboten.

23.3.c. [Capital also Benefits from the Skills of the Workers and Considers them as its Property]

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719:3 The reproduction of the working-class carries with it the accumulation of skill, that is handed down from one generation to another.¹²

¹² “The only thing, of which one can say, that it is stored up and prepared beforehand, is the skill of the laborer... The accumulation and storage of skilled labor, that most important operation, is, as regards the great mass of laborers, accomplished without any capital whatever.” (Th. Hodgskin: “Labor Defended, etc.”, p. 13.)

The increasing skills of the work force are an important but often overlooked aspect of reproduction. Again it is not the workers but the capitalists who benefit from this. To what extent the capitalist reckons the existence of such a skilled class among the factors of production that belong to him by right, and to what extent he actually regards it as the reality of his variable capital, is seen so soon as a crisis threatens him with its loss.

Now Marx brings an anecdote from the year 1863 which is not reproduced here. While telling this anecdote, Marx contrasts the skills of the workers with fixed capital: fixed capital depreciates and becomes obsolete, while the workers learn and increase their skills.

23.3.d. [Result: A Society Divided into Classes]

The concluding passage of the chapter begins with a summary of the arguments so far:

723:2/o Capitalist production, therefore, just by the fact that it is happening, reproduces the separation between labor-power and the means of labor. It thereby reproduces and perpetuates the condition for exploiting the laborer. It incessantly forces him to sell his labor-power in order to live, and enables the capitalist to purchase labor-power in order that he may enrich himself.¹⁷

¹⁷ “L’ouvrier demandait de la subsistence pour vivre, le chef demandait du travail pour gagner.” (Sismondi, l.c., p. 91.)

599:2/o Die Reproduktion der Arbeiterklasse schließt zugleich die Überlieferung und Häufung des Geschicks von einer Generation zur andren ein.¹²

¹² „Das einzige Ding, wovon man sagen kann, daß es aufgespeichert und vorher präpariert ist, ist das Geschick des Arbeiters ... Die Akkumulation und Aufspeicherung geschickter Arbeit, diese wichtigste Operation wird, was die große Masse der Arbeiter betrifft, ohne irgendwelches Kapital vollbracht.“ (Hodgskin, „Labor Defended etc.“, p. 12, 13.)

Wie sehr der Kapitalist das Dasein einer solchen geschickten Arbeiterklasse unter die ihm zugehörigen Produktionsbedingungen zählt, sie in der Tat als die reale Existenz seines variablen Kapitals betrachtet, zeigt sich, sobald eine Krise deren Verlust androht.

603:1 Der kapitalistische Produktionsprozeß reproduziert also durch seinen eigenen Vorgang die Scheidung zwischen Arbeitskraft und Arbeitsbedingungen. Er reproduziert und verewigt damit die Exploitationsbedingungen des Arbeiters. Er zwingt beständig den Arbeiter zum Verkauf seiner Arbeitskraft, um zu leben, und befähigt beständig den Kapitalisten zu ihrem Kauf, um sich zu bereichern.¹⁷

¹⁷ „Der Arbeiter forderte Unterhaltsmittel, um zu leben, der Chef forderte Arbeit, um zu verdienen.“ (Sismondi, l.c. p. 91.)

Question 809 (Tue Nov 23–Mon Nov 29) Explain how capitalist production, just by the fact that it is happening, reproduces the separation between the worker and the means of production. [2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#).

↓ These individual mechanisms conspire to create a new reality, namely, a society divided into classes:

23.3. [Reproduction of Separation of Producers from Means of Production]

It is no longer a mere accident, that capitalist and laborer confront each other in the market as buyer and seller. It is the process itself that incessantly hurls back the laborer on to the market as a vendor of his labor-power, and that incessantly converts his own product into a means by which another man can purchase him. In reality, the laborer belongs to capital before he has sold himself to capital. His economic bondage¹⁸ is both brought about and concealed by the periodic sale of himself, by his change of masters, and by the oscillations in the market-price of labor-power.¹⁹

Es ist nicht mehr der Zufall, welcher Kapitalist und Arbeiter als Käufer und Verkäufer einander auf dem Warenmarkt gegenüberstellt. Es ist die Zwickmühle des Prozesses selbst, die den einen stets als Verkäufer seiner Arbeitskraft auf den Warenmarkt zurückschleudert und sein eigenes Produkt stets in das Kaufmittel des andren verwandelt. In der Tat gehört der Arbeiter dem Kapital, bevor er sich dem Kapitalisten verkauft. Seine ökonomische Hörigkeit¹⁸ ist zugleich vermittelt und zugleich versteckt durch die periodische Erneuerung seines Selbstverkaufs, den Wechsel seiner individuellen Lohnherrn und die Oszillation im Marktpreise der Arbeit.¹⁹

Question 810 (Tue Nov 23–Mon Nov 29) *In which sense is the working class the property of the capitalists even before they work for the capitalists? Which formal aspects of the capital relation conceal this economic bondage? Which examples does Marx use to show that the capitalists very openly consider the workers their property?* [2008fa](#), [2005fa](#), [2004fa](#).

↓ Since this division of society into classes is the result of the continuous repetition of the capitalist production process itself, Marx coins the phrase that the capitalist production process produces the capital relation.

724:1 Capitalist production, therefore, under its aspect of a continuous connected process, of a process of reproduction, produces not only commodities, not only surplus-value, but it also produces and reproduces the capitalist relation; on the one side the capitalist, on the other the wage-laborer.²⁰

604:1 Der kapitalistische Produktionsprozeß, im Zusammenhang betrachtet oder als Reproduktionsprozeß, produziert also nicht nur Ware, nicht nur Mehrwert, er produziert und reproduziert das Kapitalverhältnis selbst, auf der einen Seite den Kapitalisten, auf der andren den Lohnarbeiter.²⁰

↓ In a more informal setting, Marx has summarized this already in 1849 with the words: the workers produce capital.

²⁰ “Capital pre-supposes wage-labor, and wage-labor pre-supposes capital. One is a necessary condition to the existence of the other; they mutually call each other into existence. Does an operative in a cotton-factory produce nothing but cotton goods? No, he produces capital. He produces values that give fresh command over his labor, and that, by means of such command, create fresh values.” (Karl Marx: “Lohnarbeit und Kapital,” in the *Neue Rheinische Zeitung*: No. 266, 7th April, 1849.) The articles published under the above title in the *N. Rh. Z.* are parts of some lectures given by me on that subject, in 1847, in the German “Arbeiter-Verein” at Brussels, the publication of which was interrupted by the revolution of February.

²⁰ „Das Kapital setzt die Lohnarbeit, die Lohnarbeit setzt das Kapital voraus. Sie bedingen sich wechselseitig, sie bringen sich wechselseitig hervor. Ein Arbeiter in einer Baumwollfabrik, produziert er nur Baumwollstoffe? Nein, er produziert Kapital. Er produziert Werte, die von neuem dazu dienen, seine Arbeit zu kommandieren und vermittelst derselben neue Werte zu schaffen.“ (Karl Marx, „Lohnarbeit und Kapital“ in „N[eu] Rh[einische] Z[eitung]“ Nr. 266, 7. April 1849.) Die unter diesem Titel in der „N.Rh.Z.“ veröffentlichten Artikel sind Bruchstücke der Vorlesungen, die ich über jenes Thema 1847 im deutschen Arbeiterverein in Brüssel hielt und deren Druck durch die Februarrevolution unterbrochen wurde.

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Term Paper Topic 811 (*Fri Dec 3–Mon Dec 6*) *Essay about Chapter Twenty-Six: Secret of Original Accumulation* [2009fa](#), [2008SP](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#), [2000fa](#).

Term Paper Topic 812 (*Fri Dec 3–Mon Dec 6*) *Essay about Chapter Thirty-Two: Historical Tendency of Capitalist Accumulation* [2009fa](#), [2008SP](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#), [2000fa](#).

Term Paper Topic 813 (*Fri Dec 3–Mon Dec 6*) *Essay about Chapter Thirty-Three: Modern Theory of Colonization* [2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#), [2000fa](#).

Term Paper Topic 814 (*Fri Dec 3–Mon Dec 6*) *Essay about Marx's Use of the Word "Abstinence" in Chapters Twenty-Four and Thirty-Three*

Term Paper Topic 815 (*Fri Dec 3–Mon Dec 6*)

Enumerate as many features of capitalism as you can find where the system hides exploitation to the people living in the system. Then try to explain why the system hides exploitation in so many different ways. There are several possible explanations, for instance

(a) capitalism happens to have several features which hide exploitation just by accident.

(b) capitalism has systemic features (for instance the fetish-like character of the commodity, i.e., the fact that individuals do not see nor control the true character of their own social relations) which cause it to systematically hide exploitation.

(c) if capitalism would not hide exploitation so well, it could not exist. After the individuals have achieved personal freedom to the extent they did in modern times, only a system of exploitation can survive which hides exploitation.

(d) both exploiters and those exploited are interested in hiding exploitation to themselves and others; therefore the agents in a capitalist system do things deliberately which hide exploitation.

Are there other explanations?

24. Transformation of Surplus-Value into Capital

Simple reproduction, as discussed in chapter Twenty-Three, is not an option for the capitalist. The laws of capitalism require growth; they do not permit a steady state. Nevertheless Marx discussed reproduction (without growth) first, because reproduction is a systemic necessity for any viable economic system, whether capitalist or not. Any economic organization of production must be such that it maintains and reproduces its structure over time. For capitalism, an additional requirement exists, which is often in contradiction with the requirement for reproduction, namely, this reproduction must be *expanded* reproduction, i.e., “growth.”

24.1. The Capitalist Production Process on an Expanded Scale. The Inversion by which the Property Laws of Commodity Production become Laws of Capitalist Appropriation

“*Umschlag*” is a phase transition, the crossing of a tipping point. Ben Fowkes translates it as

“inversion” and Moore-Aveling as “transition.” The above translation “inversion by which … becomes”

tries to make it clearer than Fowkes that this inversion comes from the inside, not the outside.

725:1 Earlier we investigated how surplus-value arises from capital; now we have to see how capital arises from surplus-value. The application of surplus-value as capital, its reconversion into capital, is called accumulation of capital.²¹

²¹ “Accumulation of capital: the employment of a portion of revenue as capital.” (Malthus: “Definitions, etc.”, ed. Cazenove, p. 11.) “Conversion of revenue into capital.” (Malthus: “Princ. of Pol. Econ.” 2nd Ed., Lond. 1836, p. 320.)

605:1 Früher hatten wir zu betrachten, wie der Mehrwert aus dem Kapital, jetzt wie das Kapital aus dem Mehrwert entspringt. Anwendung von Mehrwert als Kapital oder Rückverwandlung von Mehrwert in Kapital heißt Akkumulation des Kapitals.²¹

²¹ „Akkumulation des Kapitals: die Verwendung eines Teiles der Revenue als Kapital.“ (Malthus, „Definitions etc.“, ed. Cazenove, p. 11.) „Verwandlung von Revenue in Kapital.“ (Malthus, „Princ. of Pol. Econ.“, 2nd ed., Lond. 1836, p. 320.)

This introductory paragraph defines the word “accumulation.” At the same time, it defines the place of chapter Twenty-Four in the logical development of *Capital*. It is not enough to investigate how surplus-value emanates from capital; with this, the process is not yet completed. We also have to understand the converse, how capital arises from surplus-value. This closes the circle: capital arising from capital.

24. Transformation of Surplus-Value into Capital

Question 816 (*Tue Nov 30–Thu Dec 2*) How does it follow from the general laws of capitalism that capital must accumulate (i.e. the capitalists cannot just consume the surplus-product but must convert part of it into additional capital)? (Do not explain this with the competition between the capitalists, such as: if one capitalist does not accumulate, the others will outproduce him. This only says that each capitalist must accumulate because the others do, but does not explain why they all do it. “Competition makes the immanent laws of capitalist production to be felt by each individual capitalist, as external coercive laws” [this chapter, p. 739:1]. Go back to chapter Four for an explanation why accumulation is one of the immanent laws of capitalist production.)

24.1.a. [Expanded Reproduction]

The next step in the argument may seem surprising. Marx first looks at the conversion of surplus-value into capital from the point of view of an *individual* capitalist, a yarn spinnery. This does not mean that Marx tries to reduce the social process of the accumulation of capital to individual actions and motivations. His look at the individual yarn spinnery is only the prelude to an exploration, in a second step, of the social conditions that must hold for this activity by the individual capitalist to be possible.

725:2 First let us consider this transaction from the standpoint of the individual capitalist. Suppose a spinner to have advanced a capital of £10,000, of which four-fifths (£8,000) are laid out in cotton, machinery, etc., and one-fifth (£2,000) in wages. Let him produce 240,000 lbs. of yarn annually, having a value of £12,000. The rate of surplus-value being 100%, the surplus-value lies in the surplus or net product of 40,000 lbs. of yarn, one-sixth of the gross product, with a value of £2,000 which will be realised by a sale.

The annual product of £12,000 splits up into £2,000 is £2,000. We can neither see nor smell in this sum of money a trace of surplus-value. When we know that a given value is surplus-value, we know how its owner came by it; but that does not alter the nature either of the value or of the money.

The money representing surplus-value looks, feels, and smells exactly the same as the money representing the backflow of the original capital. If the capitalist wants to convert the surplus-value into capital, he will therefore do the same with the money representing surplus-value as he did with the original money. (This argument is related to 252:2/o.)

725:3/o In order to convert this additional sum of £2,000 into capital, the master-spinner will, all circumstances remaining as before, advance four-fifths of it (£1,600) in the purchase of cotton, etc., and one-fifth

605:2 Betrachten wir diesen Vorgang zunächst vom Standpunkt des einzelnen Kapitalisten. Ein Spinner z.B. habe ein Kapital von 10 000 Pfd.St. vorgeschossen, wovon vier Fünftel in Baumwolle, Maschinen etc., das letzte Fünftel in Arbeitslohn. Er produziere jährlich 240 000 Pfd. Garn zum Wert von 12 000 Pfd.St. Bei einer Rate des Mehrwerts von 100% steckt der Mehrwert im Mehrprodukt oder Nettoprodukt von 40 000 Pfd. Garn, einem Sechstel des Bruttoprodukts, zum Wert von 2000 Pfd. Sterling, den der Verkauf realisieren wird.

£8000c + £2000v + £2000s.
Eine Wertsumme von 2000 Pfd.St. ist eine Wertsumme von 2000 Pfd.St. Man sieht und sieht diesem Gelde nicht an, daß es Mehrwert ist. Der Charakter eines Werts als Mehrwert zeigt, wie er zu seinem Eigener kam, ändert aber nichts an der Natur des Werts oder des Geldes.

605:3/o Um die neu hinzugekommne Summe von 2000 Pfd.St. in Kapital zu verwandeln, wird also der Spinner, alle andern Umstände gleichbleibend, vier Fünftel davon vorschließen im Ankauf von Baumwolle

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(£400) in the purchase of additional spinners, who will find in the market the necessities of life whose value the master has advanced to them. Then the new capital of £2,000 functions in the spinning-mill, and brings in, in its turn, a surplus-value of £400.

Second year: old capital as in first year: $\text{£}12,000 = 8000c + 2000v + 2000s$. Surplus-value: $\text{£}2,400 = 1600c + 400v + 400s$. Etc. We all have enough experience with market economies to know that this is how it's being done in the practical "business as usual."

For the individual capitalist, accumulation is therefore easy: he treats the surplus-value the same way as he treats the backflow of his constant and variable capital. If Marx's usual assumption holds that demand equals supply, then the additional means of production and the means of consumption for the additional workers are readily available on the market. The individual capitalist will therefore be vindicated in his practical activity, and may not even be aware that very specific social conditions are necessary for his actions. However the fulfilment of these conditions is by no means a matter of course. To develop the necessary conditions so that the individual capitalist's assumptions can be ratified by the market, Marx first shows that there is a difference between capital value and surplus-value after all: The capital value returns to its original form, money, and therefore is simply repeating its circuit, while the original form of the surplus-value is the surplus-product, not money. This is a point Marx discusses also in volume 2, 167:5/o.

726:1 The capital-value was originally advanced in the money-form. By contrast, the surplus-value exists, originally, as the value of a definite portion of the gross product.

This is a qualification of the last sentence of 725:2, which said that from the individual point of view there was no difference. A closer look shows that there is a difference after all. When this gross product is sold, converted into money, the capital-value regains its original form, but the surplus-value assumes a form of existence different from its original one.

This difference pertains only to the first transaction made by the surplus-value. Afterwards, the transactions on the surface of the economy look exactly alike:

From this moment on, however, the capital-value and the surplus-value are both sums of money, and their reconversion into capital takes place in precisely the same way. The one, as well as the other, is laid out by the capitalist in the purchase of commodities that place him in a position to begin afresh the fabrication of his goods, the only difference being that this time it is on an extended scale.

The surface transactions can only be this smooth if the composition of the overall social

usw. und ein Fünftel im Ankauf neuer Spinnerarbeiter, die auf dem Markte die Lebensmittel finden werden, deren Wert er ihnen vorgeslossen hat. Dann fungiert das neue Kapital von 2000 Pfd.St. in der Spinnerei und bringt seinerseits einen Mehrwert von 400 Pfd. ein.

606:1 Der Kapitalwert war ursprünglich vorgeslossen in Geldform; der Mehrwert dagegen existiert von vornherein als Wert eines bestimmten Teils des Bruttoprodukts.

Wird dieses verkauft, in Geld verwandelt, so gewinnt der Kapitalwert seine ursprüngliche Form wieder, aber der Mehrwert verwandelt seine ursprüngliche Daseinsweise.

Von diesem Augenblick an sind jedoch Kapitalwert und Mehrwert beides Geldsummen, und ihre Wiederverwandlung in Kapital vollzieht sich auf ganz dieselbe Weise. Die eine wie die andre legt der Kapitalist an im Ankauf der Waren, die ihn instand setzen, die Verfertigung seines Artikels von neuem zu beginnen, und zwar diesmal auf erweiterter Stufenleiter.

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product is just right.

But in order to be able to buy those commodities, he must find them ready in the market.

Although the individual capitalist perceives as his or her biggest problem the sale of the surplus-product, Marx already looks at the next stage and asks: after having sold his product, will the capitalist find the ingredients for his future expanded production process on the market? ↓ He uses the sale of the yarn spinnery's products only as a transition to the next step:

726:2 His own yarns circulate only because he brings his annual product to market, as all other capitalists likewise do with their commodities.

After this transitional sentence, the next step is: Whether these things are available on the market is not decided on the market but in production. (Of course this is only true for those ingredient of production produced by other capitalists. He will talk about the labor-power afterwards.)

But these commodities, before coming to market, were part of the general annual product, part of the total mass of objects of every kind, into which the sum of the individual capitals, *i.e.*, the total capital of society, had been converted in the course of the year, and of which each capitalist had in hand only an aliquot part.

↓ Now an interesting formulation: the role of the market is to move goods around, the market cannot increase or decrease the amount of use-values available:

The transactions in the market effectuate only the interchange of the individual components of this annual product, transfer them from one hand to another, but can neither augment the total annual production, nor alter the nature of the objects produced. Hence the use, that can be made of the total annual product, depends entirely upon its own composition, but in no way upon circulation.

I.e., in order to see why the market transactions, which the capitalist enters almost as a matter of course, can indeed be completed successfully, we must look beyond the market, at the production underneath.

Now Marx develops the conditions which the annual product must satisfy. How must the annual product be composed for accumulation to be possible?

726:3 The annual production must in the first place furnish all those objects (use-values) from which the material components

Um aber diese Waren zu kaufen, muß er sie auf dem Markte vorfinden.

606:2 Seine eignen Garne zirkulieren nur, weil er sein Jahresprodukt auf den Markt bringt, wie das alle andern Kapitalisten mit ihren Waren ebenfalls tun.

Aber ehe sie auf den Markt kamen, hatten sie sich schon befunden im jährlichen Produktionsfonds, d.h. der Gesamtmasse der Gegenstände aller Art, worin die Gesamtsumme der Einzelkapitale oder das gesellschaftliche Gesamtkapital im Laufe des Jahres sich verwandelt und wovon jeder Einzelkapitalist nur einen aliquoten Teil in Händen hat.

Die Vorgänge auf dem Markt bewerkstelligen nur den Umsatz der einzelnen Bestandteile der Jahresproduktion, schicken sie von einer Hand in die andre, aber sie können weder die Gesamt-Jahresproduktion vergrößern noch die Natur der produzierten Gegenstände ändern. Welcher Gebrauch also von dem jährlichen Gesamtprodukt gemacht werden kann, das hängt ab von seiner eignen Zusammensetzung, keineswegs aber von der Zirkulation.

606:3 Zunächst muß die Jahresproduktion alle die Gegenstände (Gebrauchswerte) liefern, aus denen die im Lauf des Jahres

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of capital, used up in the course of the year, have to be replaced.

It is therefore obvious in which natural form the constant and variable capital must exist. But what about the surplus-value?

Deducting these there remains the net or surplus-product, in which the surplus-value lies. And of what does this surplus-product consist?

Now Marx starts an elimination argument, he goes through all the possibilities for this part of the value:

Only of things destined to satisfy the wants and desires of the capitalist class, things which, consequently, enter into the consumption-fund of the capitalists? Were that the case, the cup of surplus-value would be drained to the very dregs, and nothing but simple reproduction would ever take place.

Since we know that accumulation indeed takes place, not all of the surplus-product can enter capitalist consumption:

726:4/o To accumulate it is necessary to convert a portion of the surplus-product into capital. But we cannot, except by a miracle, convert into capital anything but such articles as can be employed in the labor-process (*i.e.*, means of production), and such further articles as are suitable for the sustenance of the laborer (*i.e.*, means of subsistence).

Now we know which form the surplus-product is taking (and this must have happened before the market transactions take place):

Consequently, a part of the annual surplus-labor must have been applied to the production of additional means of production and subsistence, over and above the quantity of these things required to replace the capital advanced. In one word, surplus-value is convertible into capital solely because the surplus-product, whose value it is, already comprises the material elements of new capital.^{21a}

^{21a} We here take no account of export trade, by means of which a nation can change articles of luxury either into means of production or means of subsistence, and *vice versa*. In order to examine the object of our investigation in its integrity, free from all disturbing subsidiary circumstances, we must treat the whole world as one nation, and assume that capitalist production is everywhere established and has possessed it-

verbrauchten sachlichen Bestandteile des Kapitals zu ersetzen sind.

Nach Abzug dieser bleibt das Netto- oder Mehrprodukt, worin der Mehrwert steckt. Und woraus besteht dies Mehrprodukt?

Vielleicht in Dingen, bestimmt zur Befriedigung der Bedürfnisse und Gelüste der Kapitalistenklasse, die also in ihren Konsumtionsfonds eingehn? Wäre das alles, so würde der Mehrwert verjubelt bis auf die Hufen, und es fände bloß einfache Reproduktion statt.

606:4/o Um zu akkumulieren, muß man einen Teil des Mehrprodukts in Kapital verwandeln. Aber, ohne Wunder zu tun, kann man nur solche Dinge in Kapital verwandeln, die im Arbeitsprozeß verwendbar sind, d.h. Produktionsmittel, und des ferneren Dinge, von denen der Arbeiter sich erhalten kann, d.h. Lebensmittel.

Folglich muß ein Teil der jährlichen Mehrarbeit verwandt worden sein zur Herstellung zusätzlicher Produktions- und Lebensmittel, im Überschuß über das Quantum, das zum Ersatz des vorgeschossenen Kapitals erforderlich war. Mit einem Wort: der Mehrwert ist nur deshalb in Kapital verwandelbar, weil das Mehrprodukt, dessen Wert er ist, bereits die sachlichen Bestandteile eines neuen Kapitals enthält.^{21a}

^{21a} Es wird hier abstrahiert vom Ausfuhrhandel, vermittelst dessen eine Nation Luxusartikel in Produktions- oder Lebensmittel umsetzen kann und umgekehrt. Um den Gegenstand der Untersuchung in seiner Reinheit, frei von störenden Nebenumständen aufzufassen, müssen wir hier die gesamte Handelswelt als eine Nation ansehen und voraussetzen, daß die kapitalistische Produktion sich überall festgesetzt und sich aller

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self of every branch of industry.

| Industriezweige bemächtigt hat.

↑ Prior production must have had the right proportions to ensure this. Marx makes here the assumption that it did. This is similar to 711:2. ↓ Not everything on the market is the output of capitalist production. In addition, also an enlarged supply of labor-power is necessary. But since ordinary wages are high enough to allow for the growth of the working-class, this does not present an additional constraint:

727:1 Now in order to allow of these elements actually functioning as capital, the capitalist class requires additional labor. If the exploitation of the laborers already employed do not increase, either extensively or intensively, then additional labor-power must be found. For this the mechanism of capitalist production provides beforehand, by converting the working-class into a class dependent on wages, a class whose ordinary wages suffice, not only for its maintenance, but for its increase.

607:1 Um nun diese Bestandteile tatsächlich als Kapital fungieren zu lassen, bedarf die Kapitalistenklasse eines Zuschusses von Arbeit. Soll nicht die Ausbeutung der schon beschäftigten Arbeiter extensiv oder intensiv wachsen, so müssen zusätzliche Arbeitskräfte eingestellt werden. Dafür hat der Mechanismus der kapitalistischen Produktion ebenfalls schon gesorgt, indem er die Arbeiterklasse reproduziert als vom Arbeitslohn abhängige Klasse, deren gewöhnlicher Lohn hinreicht, nicht nur ihre Erhaltung zu sichern, sondern auch ihre Vermehrung.

↓ To reconvert surplus-value into capital, capital simply has to put the additional means of production on line and hire the workers to run them:

It is only necessary for capital to incorporate this additional labor-power, annually supplied by the working-class in the shape of laborers of all ages, with the surplus means of production comprised in the annual product, and the conversion of surplus-value into capital is complete.

Diese, ihm durch die Arbeiterklasse auf verschiedenen Altersstufen jährlich gelieferten, zuschüssigen Arbeitskräfte braucht das Kapital nur noch den in der Jahresproduktion schon enthaltenen zuschüssigen Produktionsmitteln einzufleben, und die Verwandlung des Mehrwerts in Kapital ist fertig.

Question 817 (Tue Nov 30–Thu Dec 2) Which use-values must be available on the market so that accumulation of capital can take place? 2009fa, 2008fa, 2008SP.

↓ The difference between simple reproduction and accumulation is therefore only quantitative.

From a concrete point of view, accumulation resolves itself into the reproduction of capital on a progressively increasing scale. The circle in which simple reproduction moves, alters its form and, to use Sismondi's expression, changes into a spiral.^{21b}

Konkret betrachtet, löst sich die Akkumulation auf in Reproduktion des Kapitals auf progressiver Stufenleiter. Der Kreislauf der einfachen Reproduktion verändert sich und verwandelt sich, nach Sismondis Ausdruck, in eine Spirale.^{21b}

Note that accumulation requires (1) the decision by the capitalists to reinvest the surplus-value, (2) availability of the products on the market, (3) availability of labor-power on the market. Another condition, which Marx does not discuss here, is the availability of additional money, additional purchasing power to buy the new products.

This concludes the first half of section 24.1 corresponding to the first part of the title: capitalist production on an extended scale. Marx derived here some of the conditions that the economy as a whole must satisfy for extended production to be possible.

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Next Marx discusses the inversion of the laws of appropriation that occurs during the development from the simple production of commodities to capitalism. For this he first develops what these laws of property are, before their inversion, and he shows that the surplus-value does not fit into the commonly given explanation:

24.1.b. [Origin of Property]

Marx returns to the individual capitalist re-investing his surplus-value. This time he asks a different question: where does the capitalist have the original capital from? No longer conditions of the accumulation process but origin of the capital.

727:2/o Let us now return to our illustration. It is the old story: Abraham begat Isaac, Isaac begat Jacob, and so on. The original capital of £10,000 brings in a surplus-value of £2,000, which is capitalised. The new capital of £2,000 brings in a surplus-value of £400, and this, too, is capitalised, converted into a second additional capital, which, in its turn, produces a further surplus-value of £80. And so the ball rolls on.

In the real world, capitalists cannot convert *all* surplus-value into capital because they have to live, but Marx abstracts from this here:

728:1 We here leave out of consideration the portion of the surplus-value consumed by the capitalist.

Another abstraction is the assumption that the capitalist who earns the surplus-value adds it to his own capital instead of transferring it to a different capitalist:

Just as little does it concern us, for the moment, whether the additional capital is joined on to the original capital, or is separated from it to function independently; whether the same capitalist, who accumulated it, employs it, or whether he hands it over to another.

As a final preliminary consideration Marx points out where the metaphor with Adam, Isaac, and Jacob has its limits:

This only we must not forget, that by the side of the newly-formed capital, the original capital continues to reproduce itself, and to produce surplus-value, and that this is also true of all accumulated capital, and the additional capital engendered by it.

607:2 Kehren wir jetzt zu unserm Beispiel zurück. Es ist die alte Geschichte: Abraham zeugte Isaak, Isaak zeugte Jakob usw. Das ursprüngliche Kapital von 10 000 Pfd.St. bringt einen Mehrwert von 2000 Pfd.St., der kapitalisiert wird. Das neue Kapital von 2000 Pfd.St. bringt einen Mehrwert von 400 Pfd.St.; dieser, wiederum kapitalisiert, also in ein zweites zusätzliches Kapital verwandelt, bringt einen neuen Mehrwert von 80 Pfd.St., usw.

607:3/o Wir sehen hier ab von dem vom Kapitalisten verzehrten Teil des Mehrwerts.

Ebensowenig interessiert es uns für den Augenblick, ob die Zusatzkapitale zum ursprünglichen Kapital geschlagen oder von ihm zu selbständiger Verwertung getrennt werden; ob derselbe Kapitalist sie ausnutzt, der sie akkumuliert hat, oder ob er sie andern überträgt.

Nur dürfen wir nicht vergessen, daß neben den neugebildeten Kapitalen das ursprüngliche Kapital fortfährt sich zu reproduzieren und Mehrwert zu produzieren, und daß dasselbe gilt von jedem akkumulierten Kapital in Beziehung auf das von ihm erzeugte Zusatzkapital.

↑ In the biblical example, Adam has stopped having his own offspring when Isaac begets Jacob, but with capital, the original capital continues generating children alongside its grandchildren and greatgrandchildren.

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Now Marx formulates his question about the origin of capital. Although it only becomes clear with the next paragraph, his question is: Where does the capital stock of £ 12,000 at the beginning of the *second* year come from? Regarding the origin of one part of it, the original £ 10,000, the political economists give the following answer:

728:2 The original capital was formed by the advance of £10,000. How did the owner become possessed of it? "By his own labor and that of his forefathers," answer unanimously the spokespeople of Political Economy.^{21c} And, in fact, their supposition seems to be the only one consonant with the laws of the production of commodities.

608:1 Das ursprüngliche Kapital bildete sich durch den Vorschuß von 10 000 Pf.d. St. Woher hat sie ihr Besitzer? Durch seine eigene Arbeit und die seiner Vorfahren! antworten uns einstimmig die Wortführer der politischen Ökonomie,^{21c} und ihre Annahme scheint in der Tat die einzige, die zu den Gesetzen der Warenproduktion stimmt.

Question 818 (Tue Nov 30–Thu Dec 2) Why does the assumption that the capitalist created his capital by his own labor seem to be the only one consonant with the laws of the production of commodities?

Question 819 (Tue Nov 30–Thu Dec 2) Veblen, in his article "The Beginnings of Ownership," [Web98], argues against the conception that the basis of ownership lies in the creative effort of the isolated, self-sufficing individual." Compare Veblen's argument with Marx's argument given in Chapter Twenty-Four.

↑ Marx does not agree with this answer. In order to prepare his case, he contrasts this alleged origin of the original capital with the origin of the new part of the capital, which we know very well because we just witnessed it:

728:3 But it is quite otherwise with regard to the additional capital of £2,000. How that originated we know perfectly well. There is not one single atom of its value that does not owe its existence to unpaid labor.

608:2 Ganz anders verhält es sich mit dem Zusatzkapital von 2000 Pf.d.St. Seinen Entstehungsprozeß kennen wir ganz genau. Es ist kapitalisierter Mehrwert. Von Ursprung an enthält er nicht ein einziges Wertatom, das nicht aus unbezahlter fremder Arbeit herstammt.

↓ Next Marx is talking about the origin of the generation of capital after this. In the next generation, we are not only dealing with unpaid labor, i.e., with the capitalist buying labor-power and not paying a full equivalent of the labor performed, but even the capital advanced to buy this labor-power (at a too-low price) comes originally from the laborer himself.

The means of production which absorb the additional labor-power, as well as the necessaries with which the laborers are sustained, are nothing but component parts of the surplus-product, of the tribute annually exacted from the working-class by the capitalist class. Though the latter with a portion of that tribute purchases the additional labor-power even at its full price, so that equivalent is exchanged for equivalent, yet the transaction is for all that only the old dodge of every conqueror who buys

Die Produktionsmittel, denen die zuschüsse Arbeitskraft einverleibt wird, wie die Lebensmittel, von denen diese sich erhält, sind nichts als integrierende Bestandteile des Mehrprodukts, des der Arbeiterklasse jährlich durch die Kapitalistenklasse entrichteten Tributs. Wenn diese mit einem Teil des Tributs von jener zusätzliche Arbeitskraft kauft, selbst zum vollen Preise, so daß Äquivalent sich austauscht gegen Äquivalent— es bleibt immer das alte Verfahren des Eroberers, der den Besiegten Waren abkauft

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commodities from the conquered with the money he has robbed them of.

† This is the same example mentioned in 264:2.

mit ihrem eignen, geraubten Geld.

Question 820 (*Tue Nov 30–Thu Dec 2*) *How can the capitalist be compared with a conqueror who buys commodities from the conquered with the money he has robbed from them?* 2009fa, 2008fa, 2008SP.

In order to make the social connection palatable, Marx first looks at the situation in which the surplus-value created by a given worker is converted into capital which employs this same worker:

728:4/o If the additional capital employs the person who produced it, this producer must not only continue to augment the value of the original capital, but must buy back the fruits of his previous labor with more labor than they cost.

608:3 Wenn das Zusatzkapital seinen eigenen Produzenten beschäftigt, so muß dieser erstens fortfahren, das ursprüngliche Kapital zu verwerten, und zudem den Ertrag seiner früheren Arbeit zurückkaufen mit mehr Arbeit, als er gekostet hat.

Question 821 (*Tue Nov 30–Thu Dec 2*) *In what way must the laborer “buy back the fruits of his previous labor with more labor than they cost”?* 2009fa, 2008fa, 2008SP.

Isn't it a good use of the unpaid labor of the workers to hire more workers? As Marx will argue in more detail in chapter Twenty-Five, see e.g. 768/oo, this increased demand will never reach the point where it threatens the dependence of the laborers on capital:

When viewed as a transaction between the capitalist class and the working-class, it makes no difference that additional laborers are employed by means of the unpaid labor of the previously employed laborers. In other cases, the capitalist may convert the additional capital into a machine that throws the producers of that capital out of work, and that replaces them by a few children. In every case the working-class creates by the surplus-labor of one year the capital destined to employ additional labor in the following year.²² And this is what is called: creating capital out of capital.

Als Transaktion zwischen der Kapitalisteklasse und der Arbeiterklasse betrachtet, ändert es nichts an der Sache, wenn mit der unbezahlten Arbeit der bisher beschäftigten Arbeiter zusätzliche Arbeiter beschäftigt werden. Der Kapitalist verwandelt vielleicht auch das Zusatzkapital in eine Maschine, die den Produzenten des Zusatzkapitals aufs Pflaster wirft und durch ein paar Kinder ersetzt. In allen Fällen hat die Arbeiterklasse durch ihre diesjährige Mehrarbeit das Kapital geschaffen, das im nächsten Jahr zusätzliche Arbeit beschäftigen wird.²² Das ist es, was man nennt: Kapital durch Kapital erzeugen.

²² “Labor creates capital before capital employs labor.” E. G. Wakefield, “England and America,” Lond., 1833, Vol. II, p. 110.

²² „Die Arbeit schafft das Kapital, bevor das Kapital die Arbeit anwendet.“ („Labor creates capital, before capital employs labor.“) (E. G. Wakefield, „England and America“, London 1833, v. II, p. 110.)

Exam Question 822 Isn't it a good use of surplus-labor if the surplus-value produced by one worker creates additional jobs for other workers?

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24.1.c. [Inversion of the Property Laws]

Now Marx goes back to the example of the individual capitalist and carries it over several production periods. He uses this example to illustrate how the property laws of commodity production (according to which one acquires property rights only by one's own labor) are turned upside down under capitalism.

729:1 The accumulation of the first additional capital of £2,000 pre-supposes a value of £10,000 belonging to the capitalist by virtue of his "primitive labor," and advanced by him. The second additional capital of £400 pre-supposes, on the contrary, only the previous accumulation of the £2,000, of which the £400 is the surplus-value capitalised. The ownership of past unpaid labor therefore appears as the sole condition for the appropriation of living unpaid labor on a constantly increasing scale. The more the capitalist has accumulated, the more is he able to accumulate.

609:1 Die Voraussetzung der Akkumulation des ersten Zusatzkapitals von 2000 Pfd. St. war eine vom Kapitalisten vorgeschoßne, ihm kraft seiner „ursprünglichen Arbeit“ gehörige Wertsumme von 10 000 Pfd. St. Die Voraussetzung des zweiten Zusatzkapitals von 400 Pfd. St. dagegen ist nichts anderes als die vorhergegangene Akkumulation des ersten, der 2000 Pfd. St., dessen kapitalisierter Mehrwert es ist. Eigentum an vergangener unbezahlter Arbeit erscheint jetzt als die einzige Bedingung für gegenwärtige Aneignung lebendiger unbezahlter Arbeit in stets wachsendem Umfang. Je mehr der Kapitalist akkumuliert hat, desto mehr kann er akkumulieren.

Question 823 (*Tue Nov 30–Thu Dec 2*) Why does Marx write "*the ownership of past unpaid labor* appears as *the sole condition for the appropriation of living unpaid labor*" instead of "*the ownership of past unpaid labor* is *the sole condition for the appropriation of living unpaid labor*"?

729:2/o In so far as the surplus-value, of which the additional capital, No. 1, consists, is the result of the purchase of labor-power with part of the original capital, a purchase that conformed to the laws of the exchange of commodities, and that, from a legal standpoint, pre-supposes nothing beyond the free disposal, on the part of the laborer, of his own capacities, and on the part of the owner of money or commodities, of the values that belong to him; in so far as the additional capital, No. 2, etc., is the mere result of No. 1, and, therefore, a consequence of the above conditions; in so far as each single transaction invariably conforms to the laws of the exchange of commodities, the capitalist buying labor-power, the laborer selling it, and we will assume at its real value; in so far as all this is true, it is evident that the laws of appropriation or of private property, laws that are based on the

609:2/o Insofern der Mehrwert, woraus Zusatzkapital Nr. I besteht, das Resultat des Ankaufs der Arbeitskraft durch einen Teil des Originalkapitals war, ein Kauf, der den Gesetzen des Warenaustausches entsprach, und, juristisch betrachtet, nichts voraussetzt als freie Verfügung auf Seiten des Arbeiters über seine eigenen Fähigkeiten, auf Seiten des Geld- oder Warenbesitzers über ihm gehörige Werte; sofern Zusatzkapital Nr. II usw. bloß Resultat von Zusatzkapital Nr. I, also Konsequenz jenes ersten Verhältnisses; sofern jede einzelne Transaktion fortwährend dem Gesetz des Warenaustausches entspricht, der Kapitalist stets die Arbeitskraft kauft, der Arbeiter sie stets verkauft, und wir wollen annehmen selbst zu ihrem wirklichen Wert, schlägt offenbar das auf Warenproduktion und Warenzirkulation beruhende Gesetz der Aneignung oder Gesetz des Privateigentums durch seine eigene, innere, un-

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production and circulation of commodities, become by their own inner and inexorable dialectic changed into their very opposite.

There is “evidently” a dialectic involved because everything strictly follows the laws of commodity exchange, yet the result is opposite to the principles governing simple commodity production and exchange.

Question 824 (*Tue Nov 30–Thu Dec 2*) Spell out explicitly the “Law of appropriation” or “law of private property” based on commodity production and circulation. In other words, explain the principle that ultimately entitles the owner of a commodity to own his or her commodity.

The exchange of equivalents, the original operation with which we started, has now become turned round in such a way that only the mere semblance of exchange remains. This is owing to the fact, first, that the capital which is exchanged for labor-power is itself but a portion of the product of others’ labor appropriated without an equivalent; and, secondly, that this capital must not only be replaced by its producer, but replaced together with an added surplus. The relation of exchange between capitalist and laborer becomes a mere semblance appertaining to the process of circulation, a mere form which is foreign to the content itself and only mystifies it. The ever repeated purchase and sale of labor-power is now the mere form; what really takes place is this—the capitalist first appropriates, without equivalent, a portion of the materialized labor of others, and then exchanges a part of it for a greater quantity of living labor.

The equitable exchange between capitalist and laborer on the surface of the economy is a mere form which is alien to, and disguises, the content of this transaction.

Question 825 (*Tue Nov 30–Thu Dec 2*) Why mere semblance? [2009fa](#).

At first the rights of property seemed to us based on a man’s own labor. This had at least to be a valid assumption, because only commodity-owners with equal rights confronted each other, and the sole means by which a person could become possessed of the commodities of others, was by alienating his own commodities; and these could be replaced by labor alone. Now, however, property turns out to be the right, on the part

vermeidliche Dialektik in sein direktes Gegenteil um.

Der Austausch von Äquivalenten, der als die ursprüngliche Operation erschien, hat sich so gedreht, daß nur zum Schein ausgetauscht wird, indem erstens der gegen Arbeitskraft ausgetauschte Kapitalteil selbst nur ein Teil des ohne Äquivalent angeeigneten fremden Arbeitsproduktes ist und zweitens von seinem Produzenten, dem Arbeiter, nicht nur ersetzt, sondern mit neuem Surplus ersetzt werden muß. Das Verhältnis des Austausches zwischen Kapitalist und Arbeiter wird also nur ein dem Zirkulationsprozeß angehöriger Schein, bloße Form, die dem Inhalt selbst fremd ist und ihn nur mystifiziert. Der beständige Kauf und Verkauf der Arbeitskraft ist die Form. Der Inhalt ist, daß der Kapitalist einen Teil der bereits vergegenständlichten fremden Arbeit, die er sich unaufhörlich ohne Äquivalent aneignet, stets wieder gegen größeres Quantum lebendiger fremder Arbeit umsetzt.

Ursprünglich erschien uns das Eigentumsrecht gegründet auf eigne Arbeit. Wenigstens mußte diese Annahme gelten, da sich nur gleichberechtigte Warenbesitzer gegenüberstehen, das Mittel zur Aneignung fremder Ware aber nur die Veräußerung der eignen Ware, und letztere nur durch Arbeit herstellbar ist. Eigentum erscheint jetzt auf Seite des Kapitalisten als das Recht, fremde unbezahlte Arbeit oder ihr Produkt, auf Sei-

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of the capitalist, to appropriate the unpaid labor of others or its product, and the impossibility, on the part of the laborer, of appropriating his own product. The separation of property from labor has become the necessary consequence of a law that seemed to originate in their identity.²³

²³ The property of the capitalist in the product of the labour of others “is a strict consequence of the law of appropriation, the fundamental principle of which was, on the contrary, the exclusive title of every laborer to the product of his own labor.” (Cherbuliez, “Richesse ou Pauvreté,” Paris, 1841, p. 58, where, however, the dialectical reversal is not properly developed.)

te des Arbeiters als Unmöglichkeit, sich sein eigenes Produkt anzueignen. Die Scheidung zwischen Eigentum und Arbeit wird zur notwendigen Konsequenz eines Gesetzes, das scheinbar von ihrer Identität ausging.²³

²³ Das Eigentum des Kapitalisten an dem fremden Arbeitsprodukt „ist strenge Konsequenz des Gesetzes der Aneignung, dessen Fundamentalprinzip umgekehrt der ausschließliche Eigentumstitel jedes Arbeiters am Produkt seiner eigenen Arbeit war“. (Cherbuliez, „Richesse ou Pauvreté“, Paris 1841, p. 58, wo jedoch dieser dialektische Umschlag nicht richtig entwickelt wird.)

Question 826 (*Tue Nov 30–Thu Dec 2*) *Is the inversion of the law of appropriation under capitalism due to the fact that capitalism violates the laws of commodity exchange? If not, where else does it come from?*

Since the laws of commodity exchange are not violated in this inversion of the property laws, this inversion must come from the own inexorable dialectic of these property laws.

The 4th German edition gives here once more a systematic review of all the different steps leading to capital accumulation. All transactions in the logical development of capital are based on the laws of commodity production and do not violate them.

730:1 Therefore, however much the capitalist mode of appropriation may seem to fly in the face of the original laws of commodity production, it nevertheless arises, not from a violation, but, on the contrary, from the application of these laws. Let us make this clear once more by briefly reviewing the consecutive phases of motion whose culminating point is capitalist accumulation.

This overview distinguishes three phases. In each of these phases, a paradoxical result is obtained:

First step: the original conversion of money into capital is strictly in keeping with the laws of commodity exchange:

730:2 We saw, in the first place, that the original conversion of a sum of values into capital was achieved in complete accordance with the laws of exchange. One party to the contract sells his labor-power, the other buys it. The former receives the value of his commodity, whose use-value—labor—is thereby alienated to the buyer. Means of production which already belong to the latter are then transformed by him,

610:1 Sosehr die kapitalistische Aneignungsweise also den ursprünglichen Gesetzen der Warenproduktion ins Gesicht zu schlagen scheint, so entspringt sie doch keineswegs aus der Verletzung, sondern im Gegenteil aus der Anwendung dieser Gesetze. Ein kurzer Rückblick auf die Reihenfolge der Bewegungsphasen, deren Schlußpunkt die kapitalistische Akkumulation ist, stelle dies nochmals klar.

610:2 Zuerst haben wir gesehn, daß die ursprüngliche Verwandlung einer Wertsumme in Kapital sich durchaus gemäß den Gesetzen des Austausches vollzog. Der eine Kontrahent verkauft seine Arbeitskraft, der andre kauft sie. Der erste empfängt den Wert seiner Ware, deren Gebrauchswert—die Arbeit—damit an den zweiten veräußert ist. Dieser verwandelt nunmehr ihm bereits gehörende Produktionsmittel mit Hilfe von

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with the aid of labor equally belonging to him, into a new product which is likewise lawfully his.

Now Marx (or is it Engels?) looks at every component of the value of the end product, to see whether something funny is happening:

730:3/o The value of this product includes: first, the value of the used-up means of production. Useful labor cannot consume these means of production without transferring their value to the new product, but, to be saleable, labor-power must be capable of supplying useful labor in the branch of industry in which it is to be employed.

This ties into the discussion in chapter Eight, 307:4/o, that it is the useful labor which transfers value.

731:1 The value of the new product further includes: the equivalent of the value of the labor-power together with a surplus-value.

The addition of a surplus-value is a surprise. This is so because the value of the labor-power—sold for a definite length of time, say a day, a week, etc.—is less than the value created by its use during that time.

However this is not a violation of the laws of commodity exchange. But the worker has received payment for the exchange-value of his labor-power and by so doing has alienated its use-value—this being the case in every sale and purchase.

731:2 The fact that this particular commodity, labor-power, possesses the peculiar use-value of supplying labor, and therefore of creating value, cannot affect the general law of commodity production. If, therefore, the magnitude of value advanced in wages is not merely found again in the product, but is found there augmented by a surplus-value, this is not because the seller has been defrauded, for he has really received the value of his commodity; it has its origin in the consumption of this commodity by the buyer.

And this consumption is beyond the realm of commodity exchange; commodity owners can do with their commodities what they want.

731:3 The law of exchange requires equality only between the exchange-values of the commodities given in exchange for

ihm ebenfalls gehörender Arbeit in ein neues Produkt, das ihm ebenfalls von Rechts wegen gehört.

610:3 Der Wert dieses Produkts schließt ein: erstens den Wert der verbrauchten Produktionsmittel. Die nützliche Arbeit kann diese Produktionsmittel nicht verbrauchen, ohne ihren Wert auf das neue Produkt zu übertragen; um aber verkäuflich zu sein, muß die Arbeitskraft imstande sein, in dem Industriezweig, wo sie verwandt werden soll, nützliche Arbeit zu liefern.

610:4 Der Wert des neuen Produkts schließt ferner ein: das Äquivalent des Werts der Arbeitskraft und einen Mehrwert.

here, which needs more of an explanation: Und zwar deshalb, weil die für einen bestimmten Zeitraum, Tag, Woche etc., verkaufte Arbeitskraft weniger Wert besitzt, als ihr Gebrauch während dieser Zeit schafft.

Der Arbeiter aber hat den Tauschwert seiner Arbeitskraft bezahlt erhalten und hat damit ihren Gebrauchswert veräußert—wie das bei jedem Kauf und Verkauf der Fall.

610:5 Daß diese besondere Ware Arbeitskraft den eigentümlichen Gebrauchswert hat, Arbeit zu liefern, also Wert zu schaffen, das kann das allgemeine Gesetz der Warenproduktion nicht berühren. Wenn also die in Arbeitslohn vorgeschoßne Wertsumme sich in Produkt nicht bloß einfach wieder vorfindet, sondern um einen Mehrwert vermehrt vorfindet, so führt dies nicht her aus einer Übervorteilung des Verkäufers, der ja den Wert seiner Ware erhalten, sondern nur aus dem Verbrauch dieser Ware durch den Käufer.

611:1 Das Gesetz des Austausches bedingt Gleichheit nur für die Tauschwerte der gegeneinander weggegebenen Waren.

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one another. From the very outset it presupposes even a difference between their use-values and it has nothing whatever to do with their consumption, which only begins after the deal is closed and executed.

The laws of commodity exchange have therefore not been violated.

731:4–7 Thus the original conversion of money into capital is achieved in the most exact accordance with the economic laws of commodity production and with the right of property derived from them.

Nevertheless one obtains a paradoxical result in this first step of the argument: the product of the labor does not belong to the producer.

Nevertheless, its result is:

1. that the product belongs to the capitalist and not to the worker;
2. that the value of this product includes, besides the value of the capital advanced, a surplus-value which costs the worker labor but the capitalist nothing, and which none the less becomes the legitimate property of the capitalist;
3. that the worker has retained his labor-power and can sell it anew if he finds a buyer.

This last point was not mentioned before: discrepancy between form of content.

Second step, simple reproduction. The repetition of the law cannot overturn it, but now one obtains the paradoxical result that the capitalists get to consume for free.

731:8/o Simple reproduction is only the periodical repetition of this first operation; each time money is converted afresh into capital. Thus the law is not broken; on the contrary, it is merely enabled to operate continuously.

“Several successive acts of exchange have only made the last represent the first” (Sismondi, “Nouveaux Principes, etc.”, p. 70).

732:1 And yet we have seen that simple reproduction suffices to stamp this first operation, in so far as it is conceived as an isolated process, with a totally changed character.

“Of those who share the national income among themselves, the one side (the workers) acquire every year a fresh right to their share by fresh work; the others (the capitalists) have already acquired, by work done originally, a

Es bedingt sogar von vornherein Verschiedenheit ihrer Gebrauchswerte und hat absolut nichts zu schaffen mit ihrem Verbrauch, der erst nach geschloßnem und vollzogenem Handel beginnt.

611:2–5 Die ursprüngliche Verwandlung des Geldes in Kapital vollzieht sich also im genauesten Einklang mit den ökonomischen Gesetzen der Warenproduktion und mit dem daraus sich ableitenden Eigentumsrecht.

Trotzdem aber hat sie zum Ergebnis:

1. daß das Produkt dem Kapitalisten gehört und nicht dem Arbeiter;
2. daß der Wert dieses Produkts, außer dem Wert des vorgeschoßnen Kapitals, einen Mehrwert einschließt, der dem Arbeiter Arbeit, dem Kapitalisten aber nichts gekostet hat und der dennoch das rechtmäßige Eigentum des Kapitalisten wird;
3. daß der Arbeiter seine Arbeitskraft forterhalten hat und sie aufs neue verkaufen kann, wenn er einen Käufer findet.

611:6–7 Die einfache Reproduktion ist nur die periodische Wiederholung dieser ersten Operation; jedesmal wird, stets von neuem, Geld in Kapital verwandelt. Das Gesetz wird also nicht gebrochen, im Gegenteil es erhält nur Gelegenheit, sich dauernd zu betätigen.

Plusieurs échanges successifs n’ont fait du dernier que le représentant du premier. (Sismondi, l.c. p. 70.)

611:8–612:1 Und dennoch haben wir gesehen, daß die einfache Reproduktion hinreicht, um dieser ersten Operation—soweit sie als isolierter Vorgang gefaßt war—einen total veränderten Charakter aufzuprägen.

„Parmi ceux qui se partagent le revenu national, les uns“ (die Arbeiter) „y acquièrent chaque année un nouveau droit par un nouveau travail, les autres“ (die Kapitalisten) „y ont acquis antérieurement un droit permanent

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permanent right to their share" (Sismondi, l.c., pp. 110, 111).

It is indeed notorious that the sphere of labor is not the only one in which primogeniture works miracles.

Third step, accumulation. The miracle, which in simple reproduction only pertained to the consumption of the capitalists, applies now also to their advances of capital. Capitalists no longer only get to consume for free because they advanced their capital once in the past, but they also get to advance their capital for free.

732:2 Nor does it matter if simple reproduction is replaced by reproduction on an extended scale, by accumulation. In the former case the capitalist squanders the whole surplus-value in dissipation, in the latter he demonstrates his bourgeois virtue by consuming only a portion of it and converting the rest into money.

Now interpretation of this activity (re-investing part of surplus-value) from the individual point of view:

732:3 The surplus-value is his property; it has never belonged to anyone else. If he advances it for the purposes of production, the advances made come from his own funds, exactly as on the day when he first entered the market. The fact that on this occasion the funds are derived from the unpaid labor of his workers makes absolutely no difference. If worker *B* is paid out of the surplus-value which worker *A* produced, then, in the first place, *A* furnished that surplus-value without having the just price of his commodity cut by a half-penny, and, in the second place, the transaction is no concern of *B*'s whatever. What *B* claims, and has a right to claim, is that the capitalist should pay him the value of his labor-power.

"Both were still gainers: the worker because he was advanced the fruits of his labor" (should read: of the unpaid labor of other workers) "before the work was done" (should read: before his own labor had borne fruit); "the employer (*le maître*), because the labor of this worker was worth more than his wages" (should read: produced more value than the value of his wages). (Sismondi, l.c., p. 135.)

The discrepancy, which we have seen now in an escalating three-step sequence, comes from the fact that the laws of commodity exchange only deal with isolated acts of exchange and with individual buyers and sellers. The snapshot view of such isolated acts cannot explain the continuous flow of production and the relations between whole classes. Com-

par un travail primitif." (Sismondi, l.c. p. 110, 111.)

Das Gebiet der Arbeit ist bekanntlich nicht das einzige, wo die Erstgeburt Wunder tut.

612:2 Es verschlägt auch nichts, wenn die einfache Reproduktion ersetzt wird durch die Reproduktion auf erweiterter Stufenleiter, durch die Akkumulation. Bei jener vermöbelt der Kapitalist den gesamten Mehrwert, bei dieser beweist er seine Bürgertugend durch Verzehrung nur eines Teils, und Verwandlung des Restes in Geld.

612:3–4 Der Mehrwert ist sein Eigentum, er hat nie einem andern gehört. Schießt er ihn zur Produktion vor, so macht er, ganz wie am Tag, wo er zuerst den Markt beschritt, Vorschüsse aus seinem eignen Fonds. Daß dieser Fonds diesmal aus der unbezahlten Arbeit seiner Arbeiter stammt, tut absolut nichts zur Sache. Wird Arbeiter *B* beschäftigt mit dem Mehrwert, den Arbeiter *A* produziert hat, so hat erstens *A* diesen Mehrwert geliefert, ohne daß man ihm den gerechten Preis seiner Ware um einen Heller verkürzt hat, und zweitens geht dies Geschäft den *B* überhaupt nichts an. Was *B* verlangt und das Recht hat zu verlangen, ist, daß der Kapitalist ihm den Wert seiner Arbeitskraft zahle.

„Tous deux gagnaient encore; l'ouvrier parce qu'on lui avançait les fruits de son travail“ (soll heißen du travail gratuit d'autres ouvriers) „avant qu'il fût fait;“ (soll heißen: avant que le sien ait porté de fruit) „le maître, parce que le travail de cet ouvrier valait plus que le salaire“ (soll heißen: produisait plus de valeur que celle de son salaire). (Sismondi, l.c. p. 135.)

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modity exchange must be viewed as the merely superficial gears and levers that keep the class relations going. It does not reveal what these class relations themselves are.

732:4 To be sure, the matter looks quite different if we consider capitalist production in the uninterrupted flow of its renewal, and if, in place of the individual capitalist and the individual worker, we view in their totality, the capitalist class and the working-class confronting each other. But in so doing we should be applying standards entirely foreign to commodity production.

612:5 Allerdings sieht die Sache ganz anders aus, wenn wir die kapitalistische Produktion im ununterbrochenen Fluß ihrer Erneuerung betrachten und statt des einzelnen Kapitalisten und des einzelnen Arbeiters die Gesamtheit, die Kapitalistenklasse und ihr gegenüber die Arbeiterklasse ins Auge fassen. Damit aber würden wir einen Maßstab anlegen, der der Warenproduktion total fremd ist.

Question 827 (*Tue Nov 30–Thu Dec 2*) *Why is it not admissible to seek relations between whole social classes in the laws of commodity exchange?* [2009fa](#), [2008fa](#).

↓ The exchange acts are not only viewed in a snapshot fashion, they are also ontologically isolated!

733:1 Only buyer and seller, mutually independent, face each other in commodity production. The relations between them cease on the day when the term stipulated in the contract they concluded expires. If the transaction is repeated, it is repeated as the result of a new agreement which has nothing to do with the previous one and which only by chance brings the same seller together again with the same buyer.

733:2 If, therefore, commodity production, or one of its associated processes, is to be judged according to its own economic laws, we must consider each act of exchange by itself, apart from any connexion with the act of exchange preceding it and that following it. And since sales and purchases are negotiated solely between particular individuals, it is not admissible to seek here for relations between whole social classes.

612:6 In der Warenproduktion stehn sich nur, voneinander unabhängig, Verkäufer und Käufer gegenüber. Ihre gegenseitigen Beziehungen sind zu Ende mit dem Verfalltag des zwischen ihnen abgeschloßenen Vertrags. Wiederholt sich das Geschäft, dann infolge eines neuen Vertrags, der mit dem vorhergehenden nichts zu tun hat und bei dem nur ein Zufall denselben Käufer mit demselben Verkäufer wieder zusammenbringt.

613:1 Soll also die Warenproduktion oder ein ihr angehöriger Vorgang nach ihren eigenen ökonomischen Gesetzen beurteilt werden, so müssen wir jeden Austauschakt für sich betrachten, außerhalb alles Zusammenhangs mit dem Austauschakt, der ihm vorherging, wie mit dem, der ihm nachfolgt. Und da Käufe und Verkäufe nur zwischen einzelnen Individuen abgeschlossen werden, so ist es unzulässig, Beziehungen zwischen ganzen Gesellschaftsklassen darin zu suchen.

Important formulation! Makes it very clear that social relations are emergent from interpersonal relations, and that the laws of commodity exchange are interpersonal surface relations and not core relations.

733:3 However long a series of periodical reproductions and preceding accumulations the capital functioning to-day may have passed through, it always preserves its original virginity. So long as the laws

613:2 Wie lang auch die Reihenfolge der periodischen Reproduktionen und vorhergegangenen Akkumulationen, die das heutige funktionierende Kapital durchgemacht hat, es bewahrt immer seine ursprüng-

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of exchange are observed in every single act of exchange the mode of appropriation can be completely revolutionised without in any way affecting the property rights which correspond to commodity production. These same rights remain in force both at the outset, when the product belongs to its producer, who, exchanging equivalent for equivalent, can enrich himself only by his own labor, and also in the period of capitalism, when social wealth becomes to an ever-increasing degree the property of those who are in a position to appropriate continually and ever afresh the unpaid labor of others.

↑ The fact that commodity relations are interpersonal surface relations and not core relations gives the possibility; ↓ the fact that labor-power is a commodity gives the necessity of the inversion of the law of appropriation.

733:4/o This result becomes inevitable from the moment there is a free sale, by the laborer himself, of labor-power as a commodity. But it is also only from then onwards that commodity production is generalised and becomes the typical form of production; it is only from then onwards that, from the first, every product is produced for sale and all wealth produced goes through the sphere of circulation. Only when and where wage-labor is its basis does commodity production impose itself upon society as a whole; but only then and there also does it unfold all its hidden potentialities.

If commodity exchange seizes the whole social product only with the advent of the commodity labor-power, then the intervention of labor-power as a commodity cannot be an adulteration of commodity production,

To say that the supervention of wage-labor adulterates commodity production is to say that commodity production must not develop if it is to remain unadulterated. To the extent that commodity production, in accordance with its own inherent laws, develops further, into capitalist production, the property laws of commodity production change into the laws of capitalist appropriation.²⁴

liche Jungfräulichkeit. Solange bei jedem Austauschakt—einzelnen genommen—die Gesetze des Austausches eingehalten werden, kann die Aneignungsweise eine totale Umwälzung erfahren, ohne das, der Warenproduktion gemäße, Eigentumsrecht irgendwie zu berühren. Dieses selbe Recht steht in Kraft wie am Anfang, wo das Produkt dem Produzenten gehört und wo dieser, Äquivalent gegen Äquivalent austauschend, sich nur durch eigene Arbeit bereichern kann, so auch in der kapitalistischen Periode, wo der gesellschaftliche Reichtum in stets steigendem Maß das Eigentum derer wird, die in der Lage sind, sich stets aufs neue die unbezahlte Arbeit anderer anzueignen.

613:3 Dies Resultat wird unvermeidlich, sobald die Arbeitskraft durch den Arbeiter selbst als Ware frei verkauft wird. Aber auch erst von da an verallgemeinert sich die Warenproduktion und wird sie typische Produktionsform; erst von da an wird jedes Produkt von vornherein für den Verkauf produziert und geht aller produzierte Reichtum durch die Zirkulation hindurch. Erst da, wo die Lohnarbeit ihre Basis, zwingt die Warenproduktion sich der gesamten Gesellschaft auf; aber auch erst da entfaltet sie alle ihre verborgnen Potenzen.

Sagen, daß die Dazwischenkunft der Lohnarbeit die Warenproduktion fälscht, heißt sagen, daß die Warenproduktion, will sie unverfälscht bleiben, sich nicht entwickeln darf. Im selben Maß, wie sie nach ihren eignen immanenter Gesetzen sich zur kapitalistischen Produktion fortbildet, in demselben Maß schlagen die Eigentumsgesetze der Warenproduktion um in Gesetze der kapitalistischen Aneignung.²⁴

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²⁴ We may well, therefore, feel astonished at the cleverness of Proudhon, who would abolish capitalistic property by enforcing the eternal laws of property that are based on commodity production!

¶ Now the concluding remark of this section:

734:1 We have seen that even in the case of simple reproduction, all capital, whatever its original source, becomes converted into accumulated capital, capitalised surplus-value. But in the flood of production all the capital originally advanced becomes a vanishing quantity (*magnitudo evanescens*, in the mathematical sense), compared with the directly accumulated capital, *i.e.*, with the surplus-value or surplus-product that is reconverted into capital, whether it functions in the hands of its accumulator, or in those of others.

↑ We have seen: 714:2/o. ↓ This has been noted in the literature.
Hence, Political Economy describes capital in general as “accumulated wealth” (converted surplus-value or revenue), “that is employed over again in the production of surplus-value,”²⁵ and the capitalist as “the owner of surplus-value.”²⁶ It is merely another way of expressing the same thing to say that all existing capital is accumulated or capitalised interest, for interest is a mere fragment of surplus-value.²⁷

²⁵ “Capital, viz., accumulated wealth employed with a view to profit.” (Malthus, l.c.) “Capital … consists of wealth saved from revenue, and used with a view to profit.” (R. Jones: “An Introductory Lecture on Polit. Econ.” Lond., 1833, p. 16.)

²⁶ “The possessors of surplus-produce or capital.” (“The Source and Remedy of the National Difficulties. A Letter to Lord John Russell.” Lond., 1821.)

²⁷ “Capital, with compound interest on every portion of capital saved, is so all engrossing that all the wealth in the world from which income is derived, has long ago become the interest on capital.” (London, *Economist*, 19th July, 1851.)

²⁴ Man bewundere daher die Pfiffigkeit Proudhons, der das kapitalistische Eigentum abschaffen will, indem er ihm gegenüber—die ewigen Eigentumsgesetze der Warenproduktion geltend macht!

613:4 Man sah, daß selbst bei einfacher Reproduktion alles vorgeschoßne Kapital, wie immer ursprünglich erworben, sich in akkumuliertes Kapital oder kapitalisierten Mehrwert verwandelt. Aber im Strom der Produktion wird überhaupt alles ursprünglich vorgeschoßne Kapital eine verschwindende Größe (*magnitudo evanescens* im mathematischen Sinn), verglichen mit dem direkt akkumulierten Kapital, d.h. dem in Kapital rückverwandten Mehrwert oder Mehrprodukt, ob nun funktionierend in der Hand, die akkumuliert hat, oder in fremder Hand.

Die politische Ökonomie stellt das Kapital daher überhaupt dar als „akkumulierten Reichtum“ (verwandten Mehrwert oder Revenue), „der von neuem zur Produktion von Mehrwert verwandt wird“²⁵, oder auch den Kapitalisten als „Besitzer des Mehrprodukts“²⁶. Dieselbe Anschauungsweise besitzt nur andre Form in dem Ausdruck, daß alles vorhandne Kapital akkumulierter oder kapitalisierter Zins sei, denn der Zins ist ein bloßes Bruchstück des Mehrwerts.²⁷

²⁵ „Kapital ist akkumulierter Reichtum, angewandt, um Profit zu erzielen.“ (Malthus, l.c. [p. 262.]) „Kapital … besteht aus Reichtum, von der Revenue erspart und zur Erzielung von Profit gebraucht.“ (R. Jones, „Text-book of lectures on the Political Economy of Nations“, Hertford 1852, p. 16.)

²⁶ „Die Besitzer des Mehrprodukts oder Kapitals.“ („The Source and Remedy of the National Difficulties. A Letter to Lord John Russell“, Lond. 1821, [p. 4.])

²⁷ „Kapital, mit dem Zinssatz auf jeden Teil des gesparten Kapitals, reißt alles so sehr an sich, daß der ganze Reichtum auf der Welt, von dem Einkommen bezogen wird, schon vor langem Kapitalzins geworden ist.“ (London „Economist“ 19. July 1851)

24.4. Division of Surplus-Value into Capital and Revenue. The Abstinence Theory

Chapter Twenty-Three and the beginning of chapter Twenty-Four discussed the two limiting cases for the division of surplus-value: either none of it is reinvested, or all of it is reinvested. Actual capitalism is somewhere in-between:

738:2 In the preceding chapter, we treated surplus-value (or the surplus-product) solely as a fund for supplying the individual consumption of the capitalist. In the present chapter we have, so far, treated it solely as a fund for accumulation. It is, however, neither the one nor the other, but is both together. One portion is consumed by the capitalist as revenue,³³ the other is employed as capital, is accumulated.

617:3/o Im vorigen Kapitel betrachteten wir den Mehrwert, resp. das Mehrprodukt, nur als individuellen Konsumtionsfonds des Kapitalisten, in diesem Kapitel bisher nur als einen Akkumulationsfonds. Er ist aber weder nur das eine noch das andre, sondern beides zugleich. Ein Teil des Mehrwerts wird vom Kapitalisten als Revenue verzehrt,³³ ein anderer Teil als Kapital angewandt oder akkumuliert.

24.4.a. [The Capitalist's Decision to Accumulate]

738:3/o Given the mass of surplus-value, then, the larger the one of these parts, the smaller is the other. *Caeteris paribus*, the ratio of these parts determines the magnitude of the accumulation.

618:1 Bei gegebner Masse des Mehrwerts wird der eine dieser Teile um so größer sein, je kleiner der andre ist. Alle andern Umstände als gleichbleibend genommen, bestimmt das Verhältnis, worin diese Teilung sich vollzieht, die Größe der Akkumulation.

The question arises here who decides how much will be accumulated, and how much consumed. ↓ Answer: the capitalist. It is an individual decision, not an economic necessity. But it is by the owner of the surplus-value, by the capitalist alone, that the division is made. It is an act of his will.

Wer aber diese Teilung vornimmt, das ist der Eigentümer des Mehrwerts, der Kapitalist. Sie ist also sein Willensakt.

↑ Does this mean that the rate of capitalization, i.e., the proportion of the surplus-value that is converted back into capital, is determined by the individual capitalists? Perhaps it would be better to say that it is a decision made collectively by the capitalist class as a whole.

That part of the tribute exacted by him which he accumulates, is said to be saved by him, because he does not eat it, i.e., because he performs the function of a capitalist, and enriches himself.

Von dem Teil des von ihm erhobnen Tributs, den er akkumuliert, sagt man, er spare ihn, weil er ihn nicht aufißt, d.h., weil er seine Funktion als Kapitalist ausübt, nämlich die Funktion, sich zu bereichern.

739:1 Only to the extent that the capitalist is personified capital does he have historical value and the historic right to exist—which, to use an expression of the witty Lichnowsky, “hasn’t got no date.”

618:2 Nur soweit der Kapitalist personifiziertes Kapital ist, hat er einen historischen Wert und jenes historische Existenzrecht, das, wie der geistreiche Lichnowsky sagt, keinen Datum nicht hat.

↑ Presumably Marx calls Lichnowsky “witty” because the double negation “hasn’t got no date” means that capitalism’s right to exist is *not* eternal but historically transitory.

↓ Dilemma: capitalist consumption negates capitalism’s albeit transitory historical mission:

24. Transformation of Surplus-Value into Capital

And only to the extent that the capitalist is personified capital is the necessity for his own transitory existence implied in the transitory necessity for the capitalist mode of production. But, so far as he is personified capital, it is not values in use and the enjoyment of them, but exchange-value and its augmentation, that spur him into action. Fanatically bent on making value expand itself, he ruthlessly forces the human race to produce for production's sake; he thus forces the development of the productive powers of society, and creates those material conditions, which alone can form the real basis of a higher form of society, a society in which the full and free development of every individual forms the ruling principle.

↑ Two things to note here: (a) the capitalist, in his obsession with value, drives mankind, i.e., the drive comes from the individual, not the social relation. (b) Socialism possible only on the basis of very advanced means of production. ↓ Now a comparison between miser and capitalist similar to the earlier one in 254:1.

Only as personification of capital is the capitalist respectable. As such, he shares with the miser the absolute drive for enrichment. But that which, in the case of the miser, appears as an individual mania, is, in the capitalist, the effect of the social mechanism in which he is but one of the drive-wheels.

Nur soweit steckt seine eigene transitorische Notwendigkeit in der transitorischen Notwendigkeit der kapitalistischen Produktionsweise. Aber soweit sind auch nicht Gebrauchswert und Genuß, sondern Tauschwert und dessen Vermehrung sein treibendes Motiv. Als Fanatiker der Verwertung des Werts zwingt er rücksichtslos die Menschheit zur Produktion um der Produktion willen, daher zu einer Entwicklung der gesellschaftlichen Produktivkräfte und zur Schöpfung von materiellen Produktionsbedingungen, welche allein die reale Basis einer höheren Gesellschaftsform bilden können, deren Grundprinzip die volle und freie Entwicklung jedes Individuums ist.

Nur als Personifikation des Kapitals ist der Kapitalist respektabel. Als solche teilt er mit dem Schatzbildner den absoluten Bereicherungstrieb. Was aber bei diesem als individuelle Manie erscheint, ist beim Kapitalisten Wirkung des gesellschaftlichen Mechanismus, worin er nur ein Triebad ist.

Question 828 (Tue Nov 30–Thu Dec 2) *Describe as well as you can the social mechanism of which the capitalist is merely a drive-wheel.* 2009fa.

↑ Marx has argued here that accumulation, as opposed to consumption, is a necessity for the individual capitalists, because the accumulation of capital is capitalism's historical mission. How does this necessity enforce itself? If capitalists do not accumulate, then they fail to do that what justifies capitalism historically, which exposes the capitalist system to the tendency to be swept away as a historically redundant social formation. This is therefore not a law which is enforced by capitalist competition.

↓ Marx then adds that *in addition*, the development of the capitalist mode of production makes accumulation a necessity (and this is, indeed, a law enforced by competition, as we know it generally from the laws of capitalism, see 433:1).

Besides, the development of capitalist production makes it constantly necessary to keep increasing the amount of the capital laid out in a given industrial undertaking, and competition makes the immanent laws of capitalist production to be felt by each individual capitalist, as external coercive laws.

Außerdem macht die Entwicklung der kapitalistischen Produktion eine fortwährende Steigerung des in einem industriellen Unternehmen angelegten Kapitals zur Notwendigkeit, und die Konkurrenz herrscht jedem individuellen Kapitalisten die immanenten Gesetze der kapitalistischen Produktions-

24.4. Division into Capital and Revenue. Abstinence Theory

It compels him to keep constantly extending his capital, in order to preserve it, but extend it he cannot, except by means of progressive accumulation.

↑ Nice passage about competition. ↓ However this social mission is in conflict with the capitalist's human needs:

739:2/o So far, therefore, as his actions are a mere function of capital—endowed as capital is, in his person, with consciousness and a will—his own private consumption is a robbery perpetrated on accumulation, just as in book-keeping by double entry, the private expenditure of the capitalist is placed on the debtor side of his account against his capital.

By promoting accumulation ↑ the capitalist foregoes individual consumption ↓ but gains power!

To accumulate, is to conquer the world of social wealth, to increase the mass of human beings exploited by him, and thus to extend both the direct and the indirect sway of the capitalist.³⁴

↓ The footnote brings a long quote from Martin Luther about the usurer (capitalist):

³⁴ Taking the usurer, that old-fashioned but ever renewed specimen of the capitalist for his text, Luther shows very aptly that the love of power is an element in the desire to get rich. “The heathen were able, by the light of reason, to conclude that a usurer is a double-dyed thief and murderer. We Christians, however, hold them in such honour, that we fairly worship them for the sake of their money ... Whoever eats up, robs, and steals the nourishment of another, that man commits as great a murder (so far as in him lies) as he who starves a man or utterly undoes him. Such does a usurer, and sits the while safe on his stool, when he ought rather to be hanging on the gallows, and be eaten by as many ravens as he has stolen guilders, if only there were so much flesh on him, that so many ravens could stick their beaks in and share it. Meanwhile, we hang the small thieves ... Little thieves are put in the stocks, great thieves go flaunting in gold and silk ... Therefore is there, on this earth, no greater enemy of man (after the devil) than a gripe-money, and usurer, for he wants to be God over all men. Turks, soldiers, and tyrants are also bad men, yet must they let the people live, and Confess that they are bad, and enemies, and do, nay, must,

weise als äußere Zwangsgesetze auf. Sie zwingt ihn, sein Kapital fortwährend auszudehnen, um es zu erhalten, und ausdehnen kann er es nur vermittelst progressiver Akkumulation.

However this social mission is in conflict with the capitalist's human needs:

619:1 Soweit daher sein Tun und Lassen nur Funktion des in ihm mit Willen und Bewußtsein begabten Kapitals, gilt ihm sein eigner Privatkonsument als ein Raub an der Akkumulation seines Kapitals, wie in der italienischen Buchhaltung Privatausgaben auf der Debetseite des Kapitalisten gegen das Kapital figurieren.

Die Akkumulation ist Eroberung der Welt des gesellschaftlichen Reichtums. Sie dehnt mit der Masse des exploitierten Menschenmaterials zugleich die direkte und indirekte Herrschaft des Kapitalisten aus.³⁴

Martin Luther about the usurer (capitalist):

³⁴ In der altmodischen, wenn auch stets erneuten, Form des Kapitalisten im Wucherer, veranschaulicht Luther sehr gut die Herrschsucht als Element des Bereicherungsstrebs. „Die Heiden haben können aus der Vernunft rechnen, dass ein Wucherer, sey ein vierfältiger Dieb und Mörder. Wir Christen aber halten sie in solchen ehren, das wir sie schier anbeten umb ihres Geldes willen ... Wer einem andern seine Narung aussauget, raubet und stilet, der thut eben so grossen Mord (so viel an jm liegt) als der einen Hungers sterbet und zu Grunde verterbet. Solches thut aber ein Wucherer, und sitzet die weil auf seinem Stuel sicher, so er billicher hangen solt am Galgen, und von soviel Raben gefressen werden, als er gülden gestolen hatte, wo anders so viel fleisches an jm were, das so viel Raben sich drein stücken und teilen kündten. Dieweil hanget man die kleinen Diebe ... Kleine Diebe ligen in Stöcken gefangen, grosse Diebe gehn in gold und seiden prangen ... Also ist auch kein grösser Menschenfeind auff Erden (nach dem Teuffel) denn ein Geithals und Wucherer, denn er will über alle menschen Gott sein. Türken, Krieger, Tyrannen sind auch böse Menschen, doch müssen sie lassen die Leute leben und bekennen, dass sie Böse und Fein-

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now and then show pity to some. But a usurer and money-glutton, such a one would have the whole world perish of hunger and thirst, misery and want, so far as in him lies, so that he may have all to himself, and every one may receive from him as from a God, and be his serf for ever. To wear fine cloaks, golden chains, Tings, to wipe his mouth, to be deemed and taken for a worthy, pious man ... Usury is a great huge monster, like a werewolf, who lays waste all, more than any Cacus, Gerion or Antus. And yet decks himself out, and would be thought pious, so that people may not see where the oxen have gone, that he drags backwards into his den. But Hercules shall hear the cry of the oxen and of his prisoners, and shall seek Cacus even in cliffs and among rocks, and shall set the oxen loose again from the villain. For Cacus means the villain that is a pious usurer, and steals, robs, eats everything. And will not own that he has done it, and thinks no one will find him out, because the oxen, drawn backwards into his den, make it seem, from their foot-prints, that they have been let out. So the usurer would deceive the world, as though he were of use and gave the world oxen,- which he, however, rends, and eats all alone ... And since we break on the wheel, and behead highwaymen, murderers and housebreakers, how much more ought we to break on the wheel and kill ... hunt down, curse and behead all usurers." (Martin Luther, l.c.)

↑ Luther condemns the usurer more than the usurer's piety with Hercules's trick of pulling the cattle into the cave backwards.

740:1/o But original sin is at work everywhere. As capitalist production, accumulation, and wealth, become developed, the capitalist ceases to be the mere incarnation of capital. He feels compassion for his own Adam, and his education gradually enables him to smile at the rage for asceticism, as a mere prejudice of the old-fashioned miser.

The aphorism "but original sin is at work everywhere" is apparently meant approvingly! Just as humans cannot remain subordinate to god they can also not remain subordinate to capital. Capital, which overpowers everything, does not subordinate the capitalist.

Question 829 (*Tue Nov 30–Thu Dec 2*) What does Marx mean with: "but original sin is at work everywhere"? [2009fa](#), [2008fa](#), [2008SP](#).

↓ Next, Marx distinguishes between the classical and the modern capitalist:

de sind. Und können, ja müssen wol zu weilen sich über etliche erbarmen. Aber ein Wucherer und Geitzwanst, der wilt das alle Welt im müsste in Hunger und Durst, Trauer und Not verderben, so viel an jm ist, auff das ers alles allein möcht haben, und jedermann von jm, als von einem Gott empfahen und ewiglich sein Leibeigner sein. Schauben, güldne Kette, Ringe tragen, das maul wischen, sich für einen theuren, frommen Mann lassen ansehen und rhümen ... Wucher ist ein gros und ungeheuer monstrum, wie ein Beerwolff, der alles wüstet, mehr den kein Cacus, Gerion oder Antus. Und schmückt sich doch und wil fromm sein, das man nicht sehen sol, wo die Ochsen, die er rücklings in sein Loch zieht, hinkommen. Aber Hercules sol der Ochsen und der Gefangenen Geschrey hören und den Cacum suchen auch in Klippen und Felsen, die Ochsen wider lösen, von dem Bösewicht. Denn Cacus heisst ein Bösewicht, der ein frommer Wucherer ist, stilet, raubet, frisst alles. Und wils doch nicht gethan haben, und sol ja nimand finden, weil die Ochsen rücklings in sein Loch gezogen, schein und fusstapffen geben, als seien sie herausgelassen. Also wil der Wucherer auch die Welt effen, als nütze er und gebe der welt ochsen, so er sie doch zu sich allein reisst und frisst ... Und so man die Strassenräuber, Mörder und Beuheder, redert und köpffet, wie viel mehr solt man alle Wucherer redern und edern ... verjagen, verfluchen und köpffen." (Martin Luther, l.c.)

the common criminal, and he compares the

cattle into the cave backwards.

↓ But

accumulation and power are not the human needs of the capitalist:

619:2/o Aber die Erbsünde wirkt überall. Mit der Entwicklung der kapitalistischen Produktionsweise, der Akkumulation und des Reichtums, hört der Kapitalist auf, bloße Inkarnation des Kapitals zu sein. Er fühlt ein „menschliches Röhren“ für seinen eigenen Adam und wird so gebildet, die Schwärmerei für Askese als Vorurteil des altmodischen Schatzbildners zu belächeln.

24.4. Division into Capital and Revenue. Abstinence Theory

While the capitalist of the classical type brands individual consumption as a sin against his function, and as “abstinence” from accumulating, the modernised capitalist is capable of looking upon accumulation as “abstinence” from pleasure.

“Two souls, alas, do dwell within his breast;
The one is ever parting from the other.”

↑ The word “capable” is meant approvingly here rather than ironically. Marx means what he says, even if he uses phrases which usually do not mean what they say. The capitalist’s decision to consume rather than accumulate is his personal emancipation from the imperatives of capital.

Question 830 (*Tue Nov 30–Thu Dec 2*) *Is a capitalist free to decide whether to expand his business, and how much of his profit to use for personal consumption? Which mechanisms, if any, constrain him or her?* [2008fa](#), [2008SP](#), [1998WI](#), [1997sp](#), [1996ut](#).

741:1 At the historical dawn of capitalist production,—and every capitalist upstart has personally to go through this historical stage—avarice, and desire to get rich, are the ruling passions.

↑ I.e., at the beginning, capitalists have to be frugal. ↓ But further developed capitalism creates quick opportunities to get rich for which having credit is more important than having capital, and a certain ostentatious prodigality is a good means to get credit. I.e., the capitalist is motivated to consume not only by capitalism’s newly created enjoyments but also by profit calculations.

But the progress of capitalist production not only creates a world of delights; it opens, in speculation and the credit system, a thousand sources of sudden enrichment. When a certain stage of development has been reached, a conventional degree of prodigality, which is also an exhibition of wealth, and consequently a source of credit, becomes a business necessity to the “unfortunate” capitalist. Luxury enters into capital’s expenses of representation.

↓ Besides, there are also general reasons why the capitalist is not as frugal as the miser: In any case, unlike the miser, the capitalist does not get rich in proportion to his personal labor and restricted consumption, but at the same rate as he squeezes out the labor-power of others, and enforces on the laborer abstinence from all life’s enjoyments. Al-

Während der klassische Kapitalist den individuellen Konsum als Sünde gegen seine Funktion und „Enthaltung“ von der Akkumulation brandmarkt, ist der modernisierte Kapitalist imstande, die Akkumulation als „Entsagung“ seines Genusstriebs aufzufassen.

„Zwei Seelen wohnen, ach! in seiner Brust,
die eine will sich von der andren trennen!“

620:1 In den historischen Anfängen der kapitalistischen Produktionsweise, und jeder kapitalistische Parvenü macht dies historische Stadium individuell durch—herrschen Bereicherungstrieb und Geiz als absolute Leidenschaften vor.

Aber der Fortschritt der kapitalistischen Produktion schafft nicht nur eine Welt von Genüssen. Er öffnet mit der Spekulation und dem Kreditwesen tausend Quellen plötzlicher Bereicherung. Auf einer gewissen Entwicklungshöhe wird ein konventioneller Grad von Verschwendungen, die zugleich Schaustellung des Reichtums und daher Kreditmittel ist, sogar zu einer Geschäftsnötwendigkeit des „unglücklichen“ Kapitalisten. Der Luxus geht in die Repräsentationskosten des Kapitals ein.

Ohnehin bereichert sich der Kapitalist nicht, gleich dem Schatzbildner, im Verhältnis seiner persönlichen Arbeit und seines persönlichen Nichtkonsums, sondern im Maß, worin er fremde Arbeitskraft aussaugt und dem Arbeiter Entzug aller Lebensgenüsse

24. Transformation of Surplus-Value into Capital

though, therefore, the prodigality of the capitalist never possesses the bona-fide character of the open-handed feudal lord's prodigality, but, on the contrary, has always lurking behind it the most sordid avarice and the most anxious calculation, yet his expenditure grows with his accumulation, without the one necessarily restricting the other.

↑ Although not as rampant as in feudalism, prodigality is not incompatible with capitalism. ↓ For the individual capitalist this means that he has to make the Faustian decision between accumulation and enjoyment.

But along with this growth, there is at the same time developed in his breast, a Faustian conflict between the passion for accumulation, and the desire for enjoyment.

↓ Next Marx gives a historical example how the division of surplus-value between capital and revenue changed in Manchester.

741:2/o Dr. Aikin says in a work published in 1795: "The trade of Manchester may be divided into four periods. First, when manufacturers were obliged to work hard for their livelihood."

They enriched themselves chiefly by robbing the parents, whose children were bound as apprentices to them; the parents paid a high premium, while the apprentices were starved. On the other hand, the average profits were low, and to accumulate, extreme parsimony was requisite. They lived like misers and were far from consuming even the interest on their capital.

"The second period, when they had begun to acquire little fortunes, but worked as hard as before,"—for direct exploitation of labor costs labor, as every slave-driver knows—"and lived in as plain a manner as before ... The third, when luxury began, and the trade was pushed by sending out riders for orders into every market town in the Kingdom ... It is probable that few or no capitals of £3,000 to £4,000 acquired by trade existed here before 1690. However, about that time, or a little later, the traders had got money beforehand, and began to build modern brick houses, instead of those of wood and plaster." Even in the early part of the 18th century, a Manchester manufac-

aufzwingt. Obgleich daher die Verschwendung des Kapitalisten nie den bona fide Charakter der Verschwendungen des flotten Feudalherrn besitzt, in ihrem Hintergrund vielmehr stets schmutzigster Geiz' und ängstlichste Berechnung lauern, wächst dennoch seine Verschwendungen mit seiner Akkumulation, ohne daß die eine die andre zu beabbruchen braucht.

Damit entwickelt sich gleichzeitig in der Hochbrust des Kapitalindividuums ein faustischer Konflikt zwischen Akkumulations- und Genußtrieb.

620:2-621:2 „Die Industrie von Manchester“, heißt es in einer Schrift, die Dr. Aikin 1795 veröffentlichte, „kann in vier Perioden geteilt werden. In der ersten waren die Fabrikanten gezwungen, hart für ihren Lebensunterhalt zu arbeiten.“

Sie bereicherten sich besonders durch Bestehlung der Eltern, die ihnen Jungen als apprentices (Lehrlinge) zuwiesen und dafür schwer blechen mußten, während die Lehrlinge ausgehungert wurden. Andrerseits waren die Durchschnittsprofite niedrig, und die Akkumulation verlangte große Sparsamkeit. Sie lebten wie Schatzbildner und verzehrten bei weitem nicht einmal die Zinsen ihres Kapitals.

„In der zweiten Periode hatten sie begonnen, kleine Vermögen zu erwerben, arbeiteten aber ebenso hart als zuvor“, denn die unmittelbare Exploitation der Arbeit kostet Arbeit, wie jeder Sklaventreiber weiß, „und lebten nach wie vor in demselben frugalen Stil... In der dritten Periode begann der Luxus, und das Geschäft wurde ausgedehnt durch Aussenbindung von Reitern“ (berittenen Commis voyageurs) „für Ordres in jeder Marktstadt des Königreichs. Es ist wahrscheinlich, daß wenige oder keine Kapitale von 3000 bis 4000 Pfd.St., in der Industrie erworben, vor 1690 existierten. Um diese Zeit jedoch oder etwas später hatten die Industriellen schon Geld ak-

24.4. Division into Capital and Revenue. Abstinence Theory

turer, who placed a pint of foreign wine before his guests, exposed himself to the remarks and headshakings of all his neighbours.

Before the rise of machinery, a manufacturer's evening expenditure at the public house where they all met, never exceeded sixpence for a glass of punch, and a penny for a screw of tobacco. It was not till 1758, and this marks an epoch, that a person actually engaged in business was seen with an equipage of his own. "The fourth period," the last 30 years of the 18th century, "is that in which expense and luxury have made great progress, and was supported by a trade extended by means of riders and factors through every part of Europe."³⁵ What would the good Dr. Aikin say if he could rise from his grave and see the Manchester of to-day?

³⁵ Dr. Aikin: "Description of the Country from 30 to 40 miles round Manchester." Lond., 1795, p. 182, sq.

kumuliert und begannen steinerne Häuser statt der von Holz und Mörtel aufzuführen... Noch in den ersten Dezennien des 18. Jahrhunderts setzte sich ein Manchester Fabrikant, der eine Pint fremden Weins seinen Gästen vorsetzte, den Glossen und dem Kopfschütteln aller seiner Nachbarn aus."

Vor dem Aufkommen der Maschinerie betrug der abendliche Konsum der Fabrikanten in den Kneipen, wo sie zusammenkamen, nie mehr als 6 d. für ein Glas Punsch und 1 d. für eine Rolle Tabak. Erst 1758, und dies macht Epoche, sah man „eine im Geschäft wirklich engagierte Person mit eigner Equipage!“ „Die vierte Periode“, das letzte Drittel des 18. Jahrhunderts, „ist die von großem Luxus und Verschwendungen, unterstützt durch die Ausdehnung des Geschäfts.“³⁵ Was würde der gute Dr. Aikin sagen, wenn er heutzutag in Manchester auferstände!

³⁵ Dr. Aikin, „Description of the Country from 30 to 40 miles round Manchester“ Lond. 1795, p. [181], 182 sqq., [188].

Question 831 (*Tue Nov 30–Thu Dec 2*) How was surplus-value divided into capital and revenue in the different historical periods of capitalism? [2009fa](#).

24.4.b. [Literature Review about Decision to Accumulate]

[Classical Economists]

The *Classical* economists make themselves the mouthpieces of the historical mission of capital: they consider both capitalists and workers as the engines of social progress. Workers have to work (the Classical economists do not deny that wealth comes from the workers), but capitalists have to accumulate.

742:1/o Accumulate, accumulate! That is Moses and the prophets! "Industry furnishes the material which saving accumulates."³⁶ Therefore, save, save, *i.e.*, reconvert the greatest possible portion of surplus-value, or surplus-product into capital! Accumulation for accumulation's sake, production for production's sake: by this formula classical economy expressed the historical mission of the bourgeoisie, and did not for a single instant deceive itself over the birth-throes

621:3–622:3 Akkumuliert, Akkumuliert! Das ist Moses und die Propheten! „Die Industrie liefert das Material, welches die Sparsamkeit akkumuliert.“³⁶ Also spart, spart, d.h., rückverwandelt möglichst großen Teil des Mehrwerts oder Mehrprodukts in Kapital! Akkumulation um der Akkumulation, Produktion um der Produktion willen, in dieser Formel sprach die klassische Ökonomie den historischen Beruf der Bourgeoisperiode aus. Sie täuschte sich kei-

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of wealth.³⁷ But what avails lamentation in the face of historical necessity? If to classical economy, the proletarian is but a machine for the production of surplus-value; on the other hand, the capitalist is in its eyes only a machine for the conversion of this surplus-value into additional capital. Political Economy takes the historical function of the capitalist in bitter earnest.

³⁶ A. Smith, l.c., bk. II., ch. III.

³⁷ Even J. B. Say says: "Les dépenses des riches se font aux dépens des pauvres." "The Roman proletarian lived almost entirely at the expense of society... It can almost be said that modern society lives at the expense of the proletarians, on what it keeps out of the remuneration of labor." (Sismondi: "Études, etc.", t. i, p. 24.)

nen Augenblick über die Geburtswehn des Reichtums,³⁷ aber was nützt der Jammer über historische Notwendigkeit? Wenn der klassischen Ökonomie der Proletarier nur als Maschine zur Produktion von Mehrwert, gilt ihr aber auch der Kapitalist nur als Maschine zur Verwandlung dieses Mehrwerts in Mehrkapital. Sie nimmt seine historische Funktion in bitterm Ernst.

³⁶ A. Smith, l.c., b. II, ch. III, [p. 367].

³⁷ Selbst J. B. Say sagt: „Die Ersparnisse der Reichen werden auf Kosten der Armen gemacht.“ „Der römische Proletarier lebte fast ganz auf Kosten der Gesellschaft... Man könnte fast sagen, daß die moderne Gesellschaft auf Kosten der Proletarier lebt, von dem Teil, den sie auf Belohnung der Arbeit ihnen entzieht.“ (Sismondi, „Études etc.“, t. I, p. 24.)

[Malthus]

Malthus assigns luxury consumption to landed aristocracy, state, and church, in order to keep those who accumulate separate from those who consume: In order to charm out of his bosom the awful conflict between the desire for enjoyment and the chase after riches, Malthus, about the year 1820, advocated a division of labor, which assigns to the capitalist actually engaged in production, the business of accumulating, and to the other sharers in surplus-value, to the landlords, the place-men, the beneficed clergy, etc., the business of spending. It is of the highest importance, he says, "to keep separate the passion for expenditure and the passion for accumulation."³⁸

Um seinen Busen vor dem unheilvollen Konflikt zwischen Genußtrieb und Bereicherungstrieb zu feien, verteidigte Malthus, im Anfang der zwanziger Jahre dieses Jahrhunderts, eine Teilung der Arbeit, welche dem wirklich in der Produktion begriffenen Kapitalisten das Geschäft der Akkumulation, den andren Teilnehmern am Mehrwert, der Landaristokratie, Staats-, Kirchenfreunden usw., das Geschäft der Verschwendug zuweist. Es ist von der höchsten Wichtigkeit, sagt er, „die Leidenschaft für Ausgabe und die Leidenschaft für Akkumulation (the passion for expenditure and the passion for accumulation) getrennt zu halten“³⁸.

³⁸ Malthus, l.c. p. 319, 320.

However the spokespersons of the capitalists did not like this—not because the capitalists wanted to consume, but because this does not give maximal production:

The capitalists having long been good livers and men of the world, uttered loud cries. What, exclaimed one of their spokesmen, a disciple of Ricardo, Mr. Malthus preaches high rents, heavy taxes, etc., so that the pressure of the spur may constantly be kept on

Die Herrn Kapitalisten, seit lange in Leben- und Weltmänner verwandelt, schrien auf. Was, rief einer ihrer Wortführer, ein Ricardianer, Herr Malthus predigt hohe Grundrenten, hohe Steuern usw., um dem Industriellen einen fortwährenden Stachel durch

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the industrious by unproductive consumers! By all means, production, production on a constantly increasing scale, runs the shibboleth; but

“production will, by such a process, be far more curbed in than spurred on. Nor is it quite fair thus to maintain in idleness a number of persons, only to pinch others, who are likely, from their characters, if you can force them to work, to work with success.”³⁹

³⁹ “An Inquiry into those Principles Respecting the Nature of Demand, etc.,” p. 67.

Capitalists will not produce maximally if they are “pinched,” but workers apparently need this pinching:

743:0b Unfair as he finds it to spur on the industrial capitalist, by depriving his bread of its butter, yet he thinks it necessary to reduce the laborer’s wages to a minimum “to keep him industrious.” Nor does he for a moment conceal the fact, that the appropriation of unpaid labor is the secret of surplus-value.

“Increased demand on the part of the laborers means nothing more than their willingness to take less of their own product for themselves, and leave a greater part of it to their employers; and if it be said, that this begets glut, by lessening consumption” (on the part of the laborers), “I can only reply that glut is synonymous with large profits.”⁴⁰

⁴⁰ l.c., p. 59.

unproduktive Konsumenten aufzudrücken! Allerdings Produktion, Produktion auf stets erweiterter Stufenleiter, lautet das Schibboleth, aber

„Produktion wird durch einen solchen Prozeß weit mehr gehemmt als gefördert. Auch ist es nicht ganz billig (nor is it quite fair), eine Anzahl Personen so im Müßiggang zu erhalten, nur um andre zu kneipen, aus deren Charakter man schließen darf (who are likely, from their characters), daß, wenn ihr sie zu funktionieren zwingen könnt, sie mit Erfolg funktionieren.“³⁹

³⁹ „An Inquiry into those principles respecting the Nature of Demand etc.,“ p. 67.

622:2 So unbillig er es findet, den industriellen Kapitalisten zur Akkumulation zu stacheln, indem man ihm das Fett von der Suppe wegchöpft, so notwendig dünkt ihm, den Arbeiter möglichst auf den Minimallohn zu beschränken, „um ihn arbeitsam zu erhalten“. Auch verheimlicht er keinen Augenblick, daß Aneignung unbezahlter Arbeit das Geheimnis der Plusmacherei ist.

„Vermehrte Nachfrage von Seite der Arbeiter meint durchaus nichts als ihre Geneigtheit, weniger von ihrem eignen Produkt für sich selbst zu nehmen und einen größeren Teil davon ihren Anwendern zu überlassen; und wenn man sagt, daß dies, durch Verminderung der Konsumtion“ (auf seiten der Arbeiter) „glut“ (Marktüberfüllung, Überproduktion) „erzeugt, so kann ich nur antworten, daß glut synonym mit hohem Profit ist.“⁴⁰

⁴⁰ l.c., p. 59.

[Abstinence Theory]

But in face of the resistance of the proletariat, the economists, who previously had taken the side of the capitalists in the conflict between capitalists and idle landowners, turn into apologists for capital.

743:1/oo The learned disputation, how the booty pumped out of the laborer may be divided, with most advantage to accumulation, between the industrial capitalist and the rich idler, was hushed in face of the

622:3/oo Der gelehrt Zank, wie die dem Arbeiter ausgepumpte Beute förderlichst für die Akkumulation zu verteilen sei zwischen industriellem Kapitalist und müßigem Grundeigentümer usw., verstummte vor der

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revolution of July. Shortly afterwards, the town proletariat at Lyons sounded the tocsin of revolution, and the country proletariat in England began to, set fire to farm-yards and corn-stacks. On this side of the Channel Owenism began to spread; on the other side, St. Simonism and Fourierism. The hour of vulgar economy had struck.

Julirevolution. Kurz nachher läutete das städtische Proletariat die Sturmklöppel zu Lyon und ließ das Landproletariat den roten Hahn in England fliegen. Diesseits des Kanals grässerte der Owenismus, jenseits St.-Simonismus und Fourierismus. Die Stunde der Vulgärökonomie hatte geschlagen.

Question 832 (*Tue Nov 30–Thu Dec 2*) *What is the difference between classical and vulgar economists? (Compare also the afterword to the second German edition, pp. 14–15 of vol. I of Capital.)*

The “vulgar economists” take the opposite point of view of the classical economists. Instead of the duty to accumulate they emphasize the capitalist’s right not to accumulate. The capitalist becomes the abstaining saint.

Exactly a year before Nassau W. Senior discovered at Manchester, that the profit (including interest) of capital is the product of the last hour of the twelve, he had announced to the world another discovery. “I substitute,” he proudly says, “for the word capital, considered as an instrument of production, the word abstinence.” An unparalleled sample this, of the discoveries of vulgar economy! It substitutes for an economic category, a sycophantic phrase—*voilà tout*.

Grade ein Jahr, bevor Nassau W. Senior zu Manchester ausfand, daß der Profit (inkl. Zins) des Kapitals das Produkt der unbezahlten „letzten zwölften Arbeitsstunde“ ist, hatte er der Welt eine andre Entdeckung angekündigt. „Ich“, sagte er feierlich, „ich ersetze das Wort Kapital, als Produktionsinstrument betrachtet, durch das Wort Abstinenz (Enthalzung).“⁴¹ Ein unübertrifftenes Muster dies von den „Entdeckungen“ der Vulgärökonomie! Sie ersetzt eine ökonomische Kategorie durch eine sykophantische Phrase. Voila tout.

That profits should come from not doing something is fundamentally at odds with Marx’s brand of realism. Value is a positive “real” entity because it has real effects. These effects must come from something, they cannot come from *not* doing something. This is so obvious to Marx that he does not feel the need to spell it out in so many words. But the footnotes bring quotes where he finds this thought formulated in the literature. ¶ Cazenove’s formulation probably found Marx’s full approval:

⁴¹ (Senior, “Principes fondamentaux de l’Écon. Pol.” trad. Arrivabene, Paris, 1836, p. 308.) This was rather too much for the adherents of the old classical school. “Mr. Senior has substituted for it” (the expression Labor and Profit) “the expression Labor and Abstinence. Abstinence is a mere negation. It is not the abstinence, but the *use* of the capital productively, which is the cause of profits.” (John Cazenove, [Mal53, p. 130, Note].)

⁴¹ Senior, „Principes fondamentaux de l’Écon. Pol.“ trad. Arrivabene, Paris 1836, p. 309. Dies war den Anhängern der alten klassischen Schule doch etwas zu toll. „Herr Senior schiebt dem Ausdruck Arbeit und Kapital den Ausdruck Arbeit und Abstinenz unter ... Abstinenz ist eine bloße Negation. Es ist nicht die Abstinenz, sondern der Gebrauch des produktiv verwandten Kapitals, welcher die Quelle des Profits bildet.“ (John Cazenove, l.c. p. 130, Note.)

All English translations of *Capital* which I consulted say “it is not capital” where Cazenove’s original footnote and Marx’s German

translation of it say “it is not abstinence.” This translation error is in [Mar90, p. 517], [Mar96, p. 582], [Mar30, p. 656], and

[Mar76, p. 744]. It is amazing that this obvious error has not been caught.

24.4. Division into Capital and Revenue. Abstinence Theory

Marx's German translation of Cazenove's footnote is somewhat abbreviated, and the English version given here is a re-translation of Marx's abbreviated version back into English. The original text of Cazenove's footnote in [Mal53, p. 130] is the following:

The expression *Labour and Profits* is liable to this objection, that the two are not correlative terms,—labour being an *agent* and profits a *result*; the one a *cause*, the other a *consequence*. On this account Mr. Senior has substituted for it the expression *Labour and Abstinence*, (see his article on *Political Economy* in the “Encyclopaedia Metropolitana.”) He who converts his revenue into capital, *abstains* from the enjoyment which its expenditure would afford him. It must be acknowledged, indeed, that it is not the abstinence, but the *use* of the capital productively, which is the cause of profits. It would, however, perhaps be difficult to find another word on the whole less objectionable.—*Editor.*

While Cazenove correctly criticizes the abstinence theory, John St. Mill mixes wrong and right theories without seeing their inconsistency:

^{41 ctd} John St. Mill, on the contrary, accepts on the one hand Ricardo's theory of profit, and annexes on the other hand Senior's “remuneration of abstinence.” He is as much at home in absurd contradictions, as he feels at sea in the Hegelian contradiction, the source of all dialectic.

^{41 ctd} Herr John St. Mill exzerpiert dagegen auf der einen Seite Ricardos Profittheorie und annexiert auf der andren Seniors „remuneration of abstinence“. So fremd ihm der Hegelsche „Widerspruch“, die Springquelle aller Dialektik, so heimisch ist er in platten Widersprüchen.

In the remainder of the footnote, Marx brings his own critique of the abstinence theory:

^{41 ctd} It has never occurred to the vulgar economist to make the simple reflexion, that every human action may be viewed, as “abstinence” from its opposite. Eating is abstinence from fasting, walking, abstinence from standing still, working, abstinence from idling, idling, abstinence from working, etc. These gentlemen would do well, to ponder, once in a way, over Spinoza's: “Determinatio est Negatio.”

^{41 ctd} Zusatz zur 2. Ausg. Der Vulgärökonom hat nie die einfache Reflexion angestellt daß jede menschliche Handlung als „Enthaltung“ von ihrem Gegenteil aufgefaßt werden kann. Essen ist Enthaltung von Fasten, Gehn Enthaltung von Stehn, Arbeiten Enthaltung von Faulenzen, Faulenzen Enthaltung von Arbeiten etc. Die Herren tätten wohl, einmal nachzudenken über Spinozas: Determinatio est negatio.

Question 833 (*Tue Nov 30–Thu Dec 2*) How does Marx, on a philosophical level, criticize the concept of opportunity cost? [2009fa](#).

The next passage explains why abstinence theory cannot be applied to primitive production:

“When the savage,” says Senior, “makes bows, he exercises an industry, but he does not practise abstinence.”⁴¹ This explains how and why, in the earlier states of society, the implements of labor were fabricated without abstinence on the part of the capitalist. “The more society progresses, the more abstinence is demanded,”⁴² namely, from those who ply the industry of appropriating the fruits of others' industry.

„Wenn der Wilde“, doziert Senior, „Bogen fabriziert, so übt er eine Industrie aus, aber er praktiziert nicht die Abstinenz.“ Dies erklärt uns, wie und warum in früheren Gesellschaftszuständen „ohne die Abstinenz“ des Kapitalisten Arbeitsmittel fabriziert wurden. „Je mehr die Gesellschaft fortschreitet, um so mehr Abstinenz erfordert sie“⁴², nämlich von denen, welche die Industrie ausüben, sich die fremde Industrie und ihr Produkt anzueignen.

⁴² Senior, l.c., p. 342.

⁴² Senior, l.c. p. 342, 343.

Now Marx's critique of the abstinence theory:

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All the conditions for carrying on the labor-process are suddenly converted into so many acts of abstinence on the part of the capitalist. If the corn is not all eaten, but part of it also sown—abstinence of the capitalist. If the wine gets time to mature—abstinence of the capitalist.⁴³ The capitalist robs his own self, whenever he “lends (!) the instruments of production to the laborer,” that is, whenever by incorporating labor-power with them, he uses them to extract surplus-value out of that labor-power, instead of eating all these steam-engines, cotton, railways, manure, horses, and all; or as the vulgar economist childishly imagines, instead of squandering “their value” in luxuries and other articles of consumption.⁴⁴ How the capitalists as a class are to perform that feat, is a secret that vulgar economy has hitherto obstinately refused to divulge.

⁴³ “No one ... will sow his wheat, for instance, and allow it to remain a twelvemonth in the ground, or leave his wine in a cellar for years, instead of consuming these things or their equivalent at once ... unless he expects to acquire additional value, etc.” (Scrope, “Polit. Econ.”, edit. by A. Potter, New York, 1841, pp. 133–134.)

⁴⁴ “La privation que s’impose le capitaliste, en prêtant (this euphemism used, for the purpose of identifying, according to the approved method of vulgar economy, the laborer who is exploited, with the industrial capitalist who exploits, and to whom other capitalists lend money) ses instruments de production au travailleur au lieu d’en consacrer la valeur à son propre usage, en la transformant en objets d’utilité ou d’agrément.” (G. de Molinari, l.c., p. 36.)

Alle Bedingungen des Arbeitsprozesses verwandeln sich von nun in ebenso viele Abstinenzpraktiken des Kapitalisten. Daß Korn nicht nur gegessen, sondern auch gesät wird, Abstinenz des Kapitalisten! Daß der Wein die Zeit erhält, auszugären, Abstinenz des Kapitalisten!⁴³ Der Kapitalist beraubt seinen eignen Adam, wenn er die „Produktionsinstrumente dem Arbeiter leih“ (!), alias sie durch Einverleibung der Arbeitskraft als Kapital verwertet, statt Dampfmaschinen, Baumwolle, Eisenbahnen, Dünger, Zugpferde usf. aufzuessen oder, wie der Vulgärökonom sich das kindlich vorstellt, „ihren Wert“ in Luxus und andren Konsumtionsmitteln zu verprassen.⁴⁴ Wie die Kapitalistenklasse das anstellen soll, ist ein von der Vulgärökonomie bisher hartnäckig bewahrtes Geheimnis.

⁴³ „Kein Mensch ... wird z.B. seinen Weizen aussäen und ihn ein Jahr im Boden liegen oder seinen Wein jahrelang im Keller lassen, statt diese Dinge oder ihre Äquivalente sofort zu konsumieren ... wenn er nicht erwartete, zusätzlichen Wert zu erhalten etc.“ (Scrope, „Polit. Econ.“, edit. von A. Potter, New York 1841, p. 133.)

⁴⁴ „Die Entbehrung, die sich der Kapitalist auferlegt, indem er seine Produktionsmittel an den Arbeiter verleiht“ (diesen Euphemismus gebraucht, um nach probater vulgärökonomischer Manier den vom industriellen Kapitalisten exploitierten Lohnarbeiter mit dem industriellen Kapitalisten selbst zu identifizieren, welcher vom Geldverleihenden Kapitalisten pumpt!), „statt ihren Wert seinem eignen Gebrauch zu widmen, indem er sie in nützliche oder angenehme Gegenstände verwandelt.“ (G. de Molinari, l.c. p. 36.)

Question 834 (Tue Nov 30–Thu Dec 2) Does Marx’s theory of capitalism allow the interpretation that the capitalist loans the means of production to the worker? Justify your answer.

Enough, that the world still jogs on, solely through the self-chastisement of this modern penitent of Vishnu, the capitalist. Not only accumulation, but the simple “conservation of a capital requires a constant effort to resist the temptation of consuming it.”⁴⁵

Genug, die Welt lebt nur noch von der Selbstkasteiung dieses modernen Büßers des Wischnu, des Kapitalisten. Nicht nur die Akkumulation, die einfache „Erhaltung eines Kapitals erheischt beständige Kraftanstrengung, um der Versuchung zu wider-

24.4. Division into Capital and Revenue. Abstinence Theory

The simple dictates of humanity therefore plainly enjoin the release of the capitalist from this martyrdom and temptation, in the same way that the Georgian slave-owner was lately delivered, by the abolition of slavery, from the painful dilemma, whether to squander the surplus-product, lashed out of his niggers, entirely in champagne, or whether to reconvert a part of it into more niggers and more land.

⁴⁵ “La conservation d'un capital exige ... un effort constant pour résister à la tentation de le consommer.” (Courcelle-Seneuil, I.c., p. 57.)

stehn, es aufzuessen“.⁴⁵ Die einfache Humanität gebietet also offenbar, den Kapitalisten von Martyrtum und Versuchung zu erlösen, in derselben Weise, wie der georgische Sklavenhalter jüngst durch Abschaffung der Sklaverei von dem schmerzlichen Dilemma erlöst ward, ob das dem Neger-sklaven ausgepeitschte Mehrprodukt ganz in Champagner zu verjubeln oder auch teilweise in mehr Neger und mehr Land rückzuverwandeln.

⁴⁵ „La conservation d'un capital exige ... un effort ... constant pour résister à la tentation de le consommer.“ (Courcelle-Seneuil, I.c. p. 20.)

Question 835 (*Tue Nov 30–Thu Dec 2*) *What is the “Abstinence Theory”?* [2009fa](#), [2008fa](#), [2008SP](#).

After showing the philosophical absurdity of this way of thinking, Marx gives now a careful economic refutation of the abstinence theory:

745:1/o In economic forms of society of the most different kinds, there occurs, not only simple reproduction, but, in varying degrees, reproduction on a progressively increasing scale. By degrees more is produced and more consumed, and consequently more products have to be converted into means of production. This process, however, does not present itself as accumulation of capital, nor as the function of a capitalist, so long as the laborer's means of production, and with them, his product and means of subsistence, do not confront him in the shape of capital.⁴⁶

Expanded reproduction is happening in many different social formations, but only if the means of production are the private property of the capitalist will it take the social form of being the function of a capitalist. The abstinence theory therefore imputes a social process to the decision and merit of an individual.

Footnote 46 and the rest of the paragraph give examples of alternative social forms of this expanded reproduction:

⁴⁶ “The particular classes of income which yield the most abundantly to the progress of national capital, change at different stages of their progress, and are, therefore, entirely different in nations occupying different positions in that progress ... Profits ... unimportant source of accumulation, compared with wages and rents, in the earlier stages of society ... When a considerable advance in the powers of national industry

624:1/o In den verschiedensten ökonomischen Gesellschaftsformationen findet nicht nur einfache Reproduktion statt, sondern, obgleich auf verschiedenem Maßstab, Reproduktion auf erweiterter Stufenleiter. Es wird progressiv mehr produziert und mehr konsumiert, also auch mehr Produkt in Produktionsmittel verwandelt. Dieser Prozeß erscheint aber nicht als Akkumulation von Kapital und daher auch nicht als Funktion des Kapitalisten, solange dem Arbeiter seine Produktionsmittel, daher auch sein Produkt und seine Lebensmittel, noch nicht in der Form von Kapital gegenüberstehen.⁴⁶

⁴⁶ „Die besonderen Einkommensklassen, die am reichlichsten zum Fortschritt des nationalen Kapitals beitragen, ändern sich auf verschiedenen Stufen ihrer Entwicklung und sind infolgedessen gänzlich verschieden bei Nationen, die verschiedene Positionen in der Entwicklung einnehmen ... Profite ... eine unwichtige Quelle der Akkumulation, im Vergleich zu Löhnen und Renten, auf den früheren Stufen der Gesell-

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has actually taken place, profits rise into comparative importance as a source of accumulation.” (Richard Jones, “Textbook, etc.” pp. 16, 21.)

Richard Jones, who died a few years ago, and was the successor of Malthus in the chair of Political Economy at Haileybury College, discusses this point well in the light of two important facts. Since the great mass of the Hindu population are peasants cultivating their land themselves, their products, their instruments of labor and means of subsistence never take “the shape of a fund saved from revenue, which fund has, therefore, gone through a previous process of accumulation.”⁴⁷ On the other hand, the non-agricultural laborers in those provinces where the English rule has least disturbed the old system, are directly employed by the magnates, to whom a portion of the agricultural surplus-product is rendered in the shape of tribute or rent. One portion of this product is consumed by the magnates in kind, another is converted, for their use, by the laborers, into articles of luxury and such like things, while the rest forms the wages of the laborers, who own their implements of labor. Here, production and reproduction on a progressively increasing scale, go on their way without any intervention from that queer saint, that knight of the woeful countenance, the capitalist “abstainer.”

schaft ... Wenn ein beträchtliches Anwachsen in den Kräften der nationalen Industrie tatsächlich stattgefunden hat, erlangen die Profite eine vergleichsweise größere Wichtigkeit als Quelle der Akkumulation.“ (Richard Jones, „Textbook etc.“, p. 16, 21.)

Der vor einigen Jahren verstorbene Richard Jones, Nachfolger von Malthus auf dem Lehrstuhl der politischen Ökonomie am ostindischen College zu Haileybury, erörtert dies gut an zwei großen Tatsachen. Da der zahlreichste Teil des indischen Volks selbstwirtschaftende Bauern, existiert ihr Produkt, ihre Arbeits- und Lebensmittel, auch nie in der Form (in the shape) eines Fonds, der aus fremder Revenue erspart wird (saved from Revenue) und daher einen vorläufigen Prozeß der Akkumulation (a previous process of accumulation) durchlaufen hat⁴⁷. Andrseits werden die nicht-agrikoliken Arbeiter in den Provinzen, wo die englische Herrschaft das alte System am wenigsten aufgelöst hat, direkt von den Großen beschäftigt, denen eine Portion des ländlichen Mehrprodukts als Tribut oder Grundrente zufließt. Ein Teil dieses Produkts wird in Naturalform von den Großen verzehrt, ein anderer Teil für sie von den Arbeitern in Luxus- und sonstige Konsumtionsmittel verwandelt, während der Rest den Lohn der Arbeiter bildet, die Eigentümer ihrer Arbeitsinstrumente sind. Produktion und Reproduktion auf erweiterter Stufenleiter gehn hier ihren Gang ohne alle Dazwischenkunft jenes wunderlichen Heiligen, jenes Ritters von der traurigen Gestalt, des „entsagenden“ Kapitalisten.

Question 836 (Tue Nov 30–Thu Dec 2) Why does Marx call the “abstaining” capitalist a Don Quixote (knight of the woeful countenance)? [2008fa](#).

⁴⁷ I.c., p. 36, sq.

⁴⁷ I.c. p. 36 sq. {Zur 4.Aufl.—Muß ein Verschen sein, die Stelle ist nicht gefunden worden.—F. E.}

Question 837 (Tue Nov 30–Thu Dec 2) What is to be said about the theory that profits are the reward for the “abstinence” of the capitalists? How does Marx propose to relieve the capitalist’s pain suffered because of the temptation to consume his capital?

25. General Law of Capitalist Accumulation

With the development of the factory system, which Marx called “real subsumption of the labor process under capital,” capital re-shaped the production process according to its needs. In the present chapter, Marx shows that capital also subordinates the reproduction of the *working class* to its needs. The system of capital accumulation has managed to integrate the labor-market into its own logic so that it won’t disturb or constrain capital accumulation.

25.1. A Growing Demand for Labor-Power Accompanies Accumulation Under Equal Composition of Capital

762:1 In this chapter we shall consider the influence of the growth of capital on the fate of the working class.

640:1 Wir behandeln in diesem Kapitel den Einfluß, den das Wachstum des Kapitals auf das Geschick der Arbeiterklasse ausübt.

Question 838 (*Fri Dec 3–Mon Dec 6*) *If it is true that the laborers produce all the value, it is necessary to explain why they do not get it. This question becomes especially puzzling if one considers the exponential character of the accumulation of capital. One should expect labor demand to eventually outrun the labor supply, so that the labor market will eventually become a seller’s market. Which mechanisms prevent this from happening?* [2009fa](#), [2008fa](#), [2004fa](#).

An impasse is looming in the accumulation process: sooner or later, the accumulation of capital must run into the limitations of population growth. Instead of being scarce, one should expect that capital will eventually be abundant. Does this mean the accumulation of capital is constrained by population growth? Marx argues that it is not. Capital comes to control the supply of the exploitable material on which its accumulation depends. Just like humans, in agriculture, control the growth of the food they need, capital controls the growth of the labor-supply which it needs. Capitalist wealth, therefore, is not only the command over material things but also over the social reproduction process of labor-power.

The most important factor in this investigation is the composition of capital, and the changes which it undergoes during the accumulation process.

Der wichtigste Faktor bei dieser Untersuchung ist die Zusammensetzung des Kapitals und die Veränderungen, die sie im Verlauf des Akkumulationsprozesses durchmacht.

In order to explain the mechanisms which allow capital to control the supply of labor rather than being controlled by it, Marx introduces the concepts of technical composition, value composition, and organic composition. In a nutshell, capital is not limited by the growth of the labor force because it can adjust the rate and composition of its accumulation.

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Note that Marx introduces the composition of capital here as the solution to an *epistemic* question, namely, as “the most important factor in this *investigation*” (my italics). He usually avoids such formulations and makes it clear that he only introduces those concepts for explanatory purposes which also play a role in the processes he is explaining. The French version 534:1 is more mindful of this issue: it says that the composition of capital is the most important *given* (my italics because this is an ontological issue) for the solution of this (epistemic) problem.

25.1.a. [The Composition of Capital]

Capital is not uniform but composed of heterogeneous parts.

762:2 The composition of capital is to be understood in a twofold sense. | 640:2 Die Zusammensetzung des Kapitals ist in zweifachem Sinn zu fassen.

↑ This non-uniformity can be defined in two different ways. Considered under the aspect of *value*, capital can be divided into two parts which fundamentally differ from each other, and considered under the aspect of *use-value*, it can also be divided into two parts which fundamentally differ from each other. ↓ Marx first looks at capital under the aspect of *value*. Capital can be defined as self-expanding value. Here the fundamental difference between different parts of capital is that only a part of the capital increases its value during $M - C - M'$, while a different part of capital is constant, i.e., does not change value during its circuit:

On the one hand, with respect to value, it is determined by the proportion in which capital is divided into constant capital, i.e., the value of the means of production, and variable capital, i.e., the value of labor-power, the sum of the wages paid.

Nach der Seite des Werts bestimmt sie sich durch das Verhältnis, worin es sich teilt in konstantes Kapital oder Wert der Produktionsmittel und variables Kapital oder Wert der Arbeitskraft, Gesamtsumme der Arbeitslöhne.

↑ The definitions of constant capital and variable capital were given in chapter Eight. To recapitulate, constant capital is that part of the capital which is laid out in means of production (materials, supplies, and instruments or machines). Variable capital is the capital laid out in labor-power. The value of the “constant” capital does not change during the production process, while the value of the “variable” capital does change. Only the variable capital is source of surplus-value for the capitalist.

↓ If one looks at the *use-values* which capital assumes in the production process, one can again divide the elements of the production process into two basic categories, namely, labor and means of production:

On the other hand, with respect to the physical aspect of the production process, all capital is divided into means of production and living labor-power. Here its composition is determined by the relation between the mass of the means of production employed and the mass of labor necessary for their employment.

Nach der Seite des Stoffs, wie er im Produktionsprozeß fungiert, teilt sich jedes Kapital in Produktionsmittel und lebendige Arbeitskraft; diese Zusammensetzung bestimmt sich durch das Verhältnis zwischen der Masse der angewandten Produktionsmittel einerseits und der zu ihrer Anwendung erforderlichen Arbeitsmenge anderseits.

↑ This is a basic distinction inherent in every production process, whether or not it is capitalist. ↓ These two ways to separate capital into two different components are related but not identical. Marx calls the first “value composition” and the second “technical composition.”

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I call the former the value-composition, the latter the technical composition of capital.

Ich nenne die erstere die Wertzusammensetzung, die zweite die technische Zusammensetzung des Kapitals.

↑ The value composition of capital is constant capital divided by variable capital, i.e., the machinery and materials (measured in value) divided by labor (measured in value of labor-power). It is therefore a pure number (dollars divided by dollars). The technical composition, by contrast, is mass of means of production per hours of labor. It cannot be represented numerically. ↓ Despite their differences, the two compositions are closely related:

Between the two there is a close mutual relationship.

Zwischen beiden besteht enge Wechselbeziehung.

↑ Unfortunatley, Marx leaves it at this lethargic remark without saying more about it. Clearly, the technical composition is causally prior to the value composition. And clearly, technical progress usually requires a higher technical composition, i.e., more machines and materials per worker. But from the following development one can infer that Marx assumed that technical progress also usually requires a higher value composition. In other words, he did not believe that this greater mass of means of production is, by this same technical progress, cheapened so much to prevent its value, compared with the value of the labor-power employed in this production process, from increasing. This is not so in every single case, but it is usually, and tendencially, so. ↓ In situations in which the value composition serves as a proxy for the technical composition, Marx uses the alternative name “organic composition” for the value composition.

To express this relationship, I call the value-composition of capital, in so far as it is determined by its technical composition and mirrors the changes in the latter, the organic composition of capital.

Um diese auszudrücken, nenne ich die Wertzusammensetzung des Kapitals, insofern sie durch seine technische Zusammensetzung bestimmt wird und deren Änderungen widerspiegelt: die organische Zusammensetzung des Kapitals.

Here is an example from an unrelated field: a student’s grade is influenced by the student’s ability but also by other factors. For this reason, a standard question in the student evaluation forms is: “does the grade reflect the student’s ability”? Likewise, Marx asks: does the value composition reflect the technical composition? Only if it does will Marx use the word “organic composition” for it.

Wherever I refer to the composition of capital, without further qualification, its organic composition is always understood.

Wo von der Zusammensetzung des Kapitals kurzweg die Rede ist, ist stets seine organische Zusammensetzung zu verstehn.

Although the name “organic composition” might suggest that it measures how much of the capital is “organic,” i.e., is labor-power, Marx defines it as the unorganic part over the organic part c/v . I.e., a rise in the organic composition means: more constant capital per a given amount of variable capital. It does make sense to have labor in the denominator, because labor is what is moving the machines.

Question 839 (*Fri Dec 3–Mon Dec 6*) “Value composition” and “organic composition” are two names for the same number; namely, the proportion between constant and variable capital c/v . When does Marx use the word “value composition” and when does he use “organic composition?” Why would one want to introduce two different words for the same number? Are there other examples where Marx uses two different words for the same thing? [2009fa](#).

If the same production process is once applied to iron and once to copper, then the technical composition is the same, but since copper contains more labor, the value composition

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changes. This example is given in *Capital III*, l.c. An increase in the value of iron, or a fall in the wage would likewise increase the value-composition, but in this case Marx would not say that the “organic composition” has increased. The value composition can change by different kinds of processes than those which Marx would call “an increase in the organic composition.”

Exam Question 840 Define the value composition of capital. What is the main factor determining its magnitude? Which other factors will also influence it? When does Marx use the word “organic composition” (rather than “value composition”) for this number? [2009fa](#), [2004fa](#), [1998WI](#), [1997ut](#), [1997sp](#).

A parallel discussion of the composition of capital can be found in *Capital III*, chapter Eight, 244:1–245:1.

In the French edition, the discussion of organic composition concludes with the sentence: “After these preliminary remarks, let us come back to capitalist accumulation.”

25.1.b. [Accumulation of Capital is Increase of the Proletariat]

The portion of section 25.1 which we are going to read now consists of a long theoretical paragraph [763:1/o](#) followed by a collection of quotes from the literature. The theoretical paragraph culminates in the sentence: “Accumulation of capital is, therefore, increase of the proletariat.” This sentence is a literal quote from *Wage-Labor and Capital*, [mecw9]214:3. I will first discuss the short two-sentence derivation of this statement in *Wage-Labor and Capital*, since the general structure of this derivation is similar to that in *Capital*. Here are the relevant three sentences from *Wage-Labor and Capital* with my comments:

1. “Capital can only increase by exchanging itself for labor-power, by calling wage labor to life.” In other words, in order to accumulate, capital must employ wage labor formerly not employed. It needs labor. This dependence of capital on labor may cause an excess demand for labor, higher wages, better working conditions. With the words “by calling wage labor to life” Marx also hints at the reverse dependence: wage labor without capital is not “alive,” i.e., the laborer cannot use her labor-power for herself because she is separated from the means of production.
2. “The labor-power of the wage worker can only exchange itself for capital by increasing capital, by strengthening the power whose slave it is.” After just having read that capital needs labor, the reader would expect that a sentence beginning with “the labor-power” is going to say that labor needs capital. But this is not the content of this second sentence. Instead, Marx *qualifies* the need of capital for labor. Capital will *only then* hire the laborer if the wage is low enough to leave room for profit. Even if labor-power is available, capital may not hire it if the price is too high. Being subordinate to labor is not an option for capital. As long as capital accumulates at all, we can be sure that capital is strengthened by this accumulation, otherwise this accumulation would not take place.
3. Marx’s third sentence draws a somewhat abrupt conclusion from the preceding two sentences which needs elaboration. Marx tacitly uses a fact which we all know, namely, that capital accumulation indeed proceeds apace. From the second sentence follows therefore that the growth of the working-class must be such that it serves the

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interests of capital. Such an outcome would not be possible if the growth of the working class were independent, exogenous, to capital. This state of affairs can only be realized if the growth of the working-class is governed by capital:

“Hence, increase of capital is increase of the proletariat, that is, of the working class.”

↑ The absence of a clash between capital accumulation and the reproduction of the working class is for Marx a similar kind of evidence which the dog that didn't bark is for Sherlock Holmes.

The next thing Marx says in *Wage-Labor and Capital* is that this is a *contradictory* identity—capital usurps the growth of labor-power for its own purposes—and not a unity of interests based on mutual dependence.

Question 842 (*Fri Dec 3–Mon Dec 6*) *The capitalist depends on the worker for profit, and the worker depends on the capitalist for survival. Does this mean that workers and capitalists have the same interests?* [2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [1997ut](#), [1997sp](#), [1997WI](#).

Now let us turn to Marx's argument in *Capital*. We will see that it is just an elaboration of the three steps from *Wage-Labor and Capital*. Marx begins here with quantitative growth; only later will he show how this quantitative growth also engenders qualitative changes.

763:1/o Growth of capital implies growth of its variable constituent, in other words, of the portion invested in labor-power.

↑ It is unclear how Marx argues this here. Does he already use the assumption, made in the section heading, that the technical composition is constant? Or does he have amore general derivation in mind, for instance that the quantitative growth of capital must include growth of the variable capital because variable capital is that component which fuels the self-expansion of capital?

A part of the surplus-value to be transformed into additional capital must always revert into the form of variable capital, or additional labor fund.

↑ The growth of the variable capital generates additional demand for labor. ↓ In order to specify this quantitative increase, assumptions must be made about the composition of capital:

If we assume that accumulation takes place under unchanged circumstances, so that also the composition of capital remains constant (i.e. any given mass of means of production or constant capital needs the same mass of labor-power as before to set it in motion), then the demand for labor, and the fund for the subsistence of the workers, both clearly increase in the same proportion as the capital. The faster capital grows, the faster the demand for labor will grow.

↓ This can lead to situations in which demand for labor outstrips supply:
Since the capital produces a surplus-value every year, of which one part is added every year to the original capital; since this incre-

641:1/o Wachstum des Kapitals schließt Wachstum seines variablen oder in Arbeitskraft umgesetzten Bestandteils ein.

Ein Teil des in Zusatzkapital verwandelten Mehrwerts muß stets rückverwandelt werden in variables Kapital oder zusätzlichen Arbeitsfonds.

Unterstellen wir, daß, nebst sonst gleichbleibenden Umständen, die Zusammensetzung des Kapitals unverändert bleibt, d.h. eine bestimmte Masse Produktionsmittel oder konstantes Kapital stets dieselbe Masse Arbeitskraft erheischt, um in Bewegung gesetzt zu werden, so wächst offenbar die Nachfrage nach Arbeit und der Subsistenzfonds der Arbeiter verhältnismäßig mit dem Kapital und um so rascher, je rascher das Kapital wächst.

Da das Kapital jährlich einen Mehrwert produziert, wovon ein Teil jährlich zum Originalkapital geschlagen wird, da dies Inkre-

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ment itself grows every year along with the augmentation of the capital already functioning; and since, lastly, under conditions especially liable to stimulate the drive for self-enrichment, such as the opening of new markets, or of new spheres for the outlay of capital resulting from newly developed social requirements, the scale of accumulation may suddenly be extended merely by a change in the proportion in which the surplus-value or the surplus product is divided into capital and revenue—for all these reasons the requirements of accumulating capital may exceed the growth in labor-power or in the number of workers; the demand for workers may outstrip the supply, and thus wages may rise.

↑ Why does capital grow faster than labor? On the one hand, Marx argues here that capital grows exponentially, while labor cannot. But Marx says also that capital can suddenly accelerate its growth by changing the proportion in which surplus-product is converted into new capital. Two things are here notable: first, this is an example for something which Marx will emphasize this later, namely, the impulse comes from capital and not the working class. Secondly, capital can generate this impulse only because it is free to determine the capitalization rate. This parameter plays an important role in the background of the entire discussion.

↓ So far, Marx has only said that demand for labor *can* increase above supply, i.e., there is nothing which will prevent such an outcome. Now he goes one step further: if the value composition remains unchanged, demand *must* eventually outstrip supply:

This must indeed ultimately be the case if the conditions assumed above continue to prevail. For since in each year more workers are employed than in the preceding year, sooner or later a point must be reached at which the requirements of accumulation begin to outgrow the customary supply of labor, and a rise of wages therefore takes place.

ment selbst jährlich wächst mit dem zunehmenden Umfang des bereits in Funktion begriffenen Kapitals und da endlich, unter besondrem Sporn des Bereicherungs-triebs, wie z.B. Öffnung neuer Märkte, neuer Sphären der Kapitalanlage infolge neu entwickelter gesellschaftlicher Bedürfnisse usw., die Stufenleiter der Akkumulation plötzlich ausdehnbar ist durch bloß veränderte Teilung des Mehrwerts oder Mehrprodukts in Kapital und Revenue, können die Akkumulationsbedürfnisse des Kapitals das Wachstum der Arbeitskraft oder der Arbeiteranzahl, die Nachfrage nach Arbeitern ihre Zufuhr überflügeln und daher die Arbeitslöhne steigen.

Dies muß sogar schließlich der Fall sein bei unveränderter Fortdauer obiger Voraussetzung. Da in jedem Jahr mehr Arbeiter beschäftigt werden als im vorhergehenden, so muß früher oder später der Punkt eintreten, wo die Bedürfnisse der Akkumulation anfangen, über die gewöhnliche Zufuhr von Arbeit hinauszuwachsen, wo also Lohnsteigerung eintritt.

Exam Question 846 *Describe some circumstances in which the labor requirements for capital accumulation exceed the growth in available labor.* [2002fa](#), [2000fa](#), [1999SP](#), [1997ut](#), [1997sp](#), [1997WI](#).

↑ Marx says here only that demand for labor must *begin* to outgrow labor supply. The French edition [mecw] says that it must lead to a *gradual* rise in wages. ↓ Before showing how this rise will be interrupted, Marx brings evidence that this gradual or incipient rise does indeed take place.

Complaints were to be heard about this in England during the whole of the fifteenth century, and the first half of the eighteenth.

Klage hierüber ertönt in England während des ganzen fünfzehnten und der ersten Hälfte des achtzehnten Jahrhunderts.

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↓ Despite rising wages, however, capital continues to accumulate.

The more or less favorable circumstances, in which the wage-laborers support and multiply themselves, do however not alter in any way the fundamental character of capitalist production.

Die mehr oder minder günstigen Umstände, worin sich die Lohnarbeiter erhalten und vermehren, ändern jedoch nichts am Grundcharakter der kapitalistischen Produktion.

Through the ups and downs of wages, the capitalists have never given up their profit motive. ↓ On the contrary, the capitalist system not only persists but even reproduces itself on an extended scale:

Just as simple reproduction continually reproduces the capital relation itself, capitalists on the one side and wage laborers on the other, so does reproduction on an expanded scale, i.e. accumulation, reproduce the capital relation on an expanded scale, with more capitalists, or bigger capitalists, at one pole, and more wage laborers at the other.

Wie die einfache Reproduktion fortwährend das Kapitalverhältnis selbst reproduziert, Kapitalisten auf der einen Seite, Lohnarbeiter auf der andren, so reproduziert die Reproduktion auf erweiterter Stufenleiter oder die Akkumulation das Kapitalverhältnis auf erweiterter Stufenleiter, mehr Kapitalisten oder größere Kapitalisten auf diesem Pol, mehr Lohnarbeiter auf jenem.

↑ This presents a riddle: how can capital reproduce itself on an extended scale in the face of the seemingly inexorable tendencies of the demand for labor to outstrip labor supply just argued earlier in the same paragraph? As in *Wage-Labor and Capital*, the solution of this riddle is that the reproduction of the working class is not an independent process but a subprocess of capital accumulation.

↓ This is only an extension of things said earlier, since also in other respects (other than the reproduction of the working class), the worker is subservient to capital. In the second edition [mecw], Marx prefacing his next long sentence with the phrase: “One has already seen earlier:”

The reproduction of labor-power, which must incessantly be re-incorporated into capital as its means of valorization, which cannot break loose from capital, and whose enslavement to capital is only concealed by the variety of individual capitalists to whom it sells itself, is in fact a moment in the reproduction of capital itself.

Die Reproduktion der Arbeitskraft, die sich dem Kapital unaufhörlich als Verwertungsmittel einverleiben muß, nicht von ihm loskommen kann und deren Hörigkeit zum Kapital nur versteckt wird durch den Wechsel der individuellen Kapitalisten, woran sie sich verkauft, bildet in der Tat ein Moment der Reproduktion des Kapitals selbst.

“*bildet*” should not be translated with “forms” as both

Moore-Aveling and Fowkes did. It is not a matter of form but of

constitutive elements or “moments.”

↑ Just as the individual worker is trapped in the capitalist system and cannot overcome it or get away from it, ↓ so also (Marx implies here) is the reproduction of the entire working class subservient to the accumulation of capital.

Accumulation of capital is therefore multiplication of the proletariat.⁷⁰

Akkumulation des Kapitals ist also Vermehrung des Proletariats.⁷⁰

↑ This last sentence must be read in a subsumptive sense; the “is” in this sentence has the meaning of “entails, encompasses.” In the French edition [mecw], Marx writes: “is at the same time.” Accumulation of capital and growth of the workforce are not two different autonomous processes interacting with each other, but two aspects of one and the same process.

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The mechanisms which chain the growth of the working class to that of capital will be discussed starting 768/oo. But first, Marx brings a collection of quotes in which classical economists testify that were aware of the subservient situation of the working class, and thought it was a good thing.

↓ The footnote to the preceding paragraph can be considered an introduction to this collection of quotes. It brings a reference to the place in Marx's own *Wage Labor and Capital* which we discussed at the beginning, together with an economic definition of the proletarian as someone who is dependent on capital.

⁷⁰ Karl Marx, 'Wage Labor and Capital', op. cit. 'If the masses are all oppressed equally, the more proletarians a country has, the richer it will be' (Colins, *L'Économie politique. Source des révolutions et des utopies prétendues socialistes*, Paris, 1857, Vol. 3, p. 331). A 'proletarian' is, economically, nothing other than a 'wage-laborer', who produces and valorizes 'capital', and is thrown onto the street as soon as he becomes superfluous to the need for valorization possessed by 'Monsieur Capital', as Pecqueur calls this person. 'The sickly proletarian of the primitive forest' is a schoolboy-like Roscherian phantom. The inhabitant of the primitive forest owns this forest and treats it as his without any further thought, just as an orang-utang does. He is not a proletarian by any means. This would only be the case if the primitive forest exploited him, instead of being exploited by him. As far as his health is concerned, such a man would well bear comparison, not only with the modern proletarian, but also with the syphilitic and scrofulous 'honorable' citizens. However, Herr Wilhelm Roscher probably means his native heath of Lüneburg when he talks about a 'primitive forest'.

↓ The next sentence addresses an error of Classical Economics: Smith and Ricardo thought that *all* accumulation goes into variable capital. This is wrong; part of the accumulated funds must be used to increase constant capital. But Smith and Ricardo sensed correctly that the growth of the working-class is an important element of accumulation.

764:1/o Classical political economy grasped this fact so thoroughly that Adam Smith, Ricardo, etc., as mentioned earlier, wrongly identified accumulation with the consumption of the whole of the capitalized part of the surplus product by productive workers, or with the transformation of the surplus product into additional wage-laborers.

↑ This was already discussed in 737:1/o. ↓ The next quote shows that also outside the context of accumulation the classical economists understood that capitalist wealth is not only the command over things but most importantly the command over labor:

⁷⁰ Karl Marx, l.c.—„Bei gleicher Unterdrückung der Massen ist ein Land um so reicher, je mehr Proletarier es hat.“ (Colins, „L'Économie Politique, Source des Révolutions et des Utopies prétendues Socialistes“, Paris 1857, t. III, p. 331.) Unter ‚Proletarier‘ ist ökonomisch nichts zu verstehen als der Lohnarbeiter, der „Kapital“ produziert und verwertet und aufs Pflaster geworfen wird, sobald er für die Verwertungsbedürfnisse des „Monsieur Kapital“, wie Pecqueur diese Person nennt, überflüssig ist. „Der kränkliche Proletarier des Urwalds“ ist ein artiges Roschersches Phantom. Der Urwälder ist Eigentümer des Urwalds und behandelt den Urwald ganz so ungeniert wie der Orang-Utang, als sein Eigentum. Er ist also nicht Proletarier. Dies wäre nur der Fall, wenn der Urwald ihn, statt er den Urwald exploitierte. Was seinen Gesundheitszustand betrifft, steht solcher wohl den Vergleich aus nicht nur mit dem des modernen Proletariers, sondern auch dem der syphilitischen und skrupelösen „Ehrbarkeit“. Doch versteht Herr Wilhelm Roscher unter Urwald wahrscheinlich die stammverwandte Lüneburger Heide.

642:1–2 Die klassische Ökonomie begriff diesen Satz so wohl, daß A. Smith, Ricardo usw., wie früher erwähnt, die Akkumulation sogar fälschlich identifizieren mit Konsum des ganzen kapitalisierten Teils des Mehrprodukts durch produktive Arbeiter oder mit seiner Verwandlung in zuschüssige Lohnarbeiter.

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John Bellers already said this in 1696:

'For if one had a hundred thousand acres of land and as many pounds in money, and as many cattle, without a laborer, what would the rich man be, but a laborer? And as the laborers make men rich, so the more laborers there will be, the more rich men ... the labor of the poor being the mines of the rich.'⁷¹

↑ Being wealthy in our society not just means to own many things, but on top of this it gives you the ability to have others work for you. ↓ Mandeville concludes from this that workers should be kept moderately poor, and ignorant.

So also Bernard de Mandeville at the beginning of the eighteenth century:

'It would be easier, where property is well secured, to live without money than without poor; for who would do the work? ... As they [the poor] 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, nobody 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 labor ... 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 laboring 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 the non-workers) 'happy and people easier 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.'⁷²

Schon 1696 sagt John Bellers:

„Wenn jemand 100 000 Acres hätte und ebenso viele Pfunde Geld und ebensoviel Vieh, was wäre der reiche Mann ohne den Arbeiter außer selbst ein Arbeiter? Und wie die Arbeiter Leute reich machen, so desto mehr Arbeiter, desto mehr Reiche ... Die Arbeit des Armen ist die Mine des Reichen.“⁷¹

642:3–643:0 So Bernard de Mandeville im Anfang des 18. Jahrhunderts:

„Wo das Eigentum hinreichend geschützt ist, wäre es leichter, ohne Geld zu leben als ohne Arme, denn—wer würde die Arbeit tun? ... Wie die Arbeiter vor Aushungerung zu bewahren sind, so sollten sie nichts erhalten, was der Ersparung wert ist. Wenn hier und da einer aus der untersten Klasse durch ungewöhnlichen Fleiß und Bauchkneipen sich über die Lage erhebt, worin er aufgewachsen war, so muß ihn keiner daran hindern: ja es ist unleugbar der weiseste Plan für jede Privatperson, für jede Privatfamilie in der Gesellschaft, frugal zu sein; aber es ist das Interesse aller reichen Nationen, daß der größte Teil der Armen nie untätig sei und sie dennoch stets verausgaben, was sie einnehmen ... Diejenigen, die ihr Leben durch ihre tägliche Arbeit gewinnen, haben nichts, was sie anstachelt, dienstlich zu sein außer ihren Bedürfnissen, welche es Klugheit ist zu lindern, aber Narrheit wäre zu kurieren. Das einzige Ding, das den arbeitenden Mann fleißig machen kann, ist ein mäßiger Arbeitslohn. Ein zu geringer macht ihn je nach seinem Temperament kleinmütig oder verzweifelt, ein zu großer insolent und faul ... Aus dem bisher Entwickelten folgt, daß in einer freien Nation, wo Sklaven nicht erlaubt sind, der sicherste Reichtum aus einer Menge arbeitsamer Armen besteht. Außerdem, daß sie die nie versagende Zufuhrquelle für Flotte und Armee, gäbe es ohne sie keinen Genuss und wäre das Produkt keines Landes verwertbar. Um die Gesellschaft“ (die natürlich aus den Nichtarbeitern besteht) „glücklich und das Volk selbst in kümmerlichen Zuständen zufrieden zu machen, ist es nötig, daß die große Majorität sowohl unwissend als arm bleibt. Kenntnis erweitert und

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vervielfacht unsere Wünsche, und je weniger ein Mann wünscht, desto leichter können seine Bedürfnisse befriedigt werden.“⁷²

↑ Mandeville recommends not to “cure” the wants of the workers but only to “relieve” them, because these wants give them the incentives to work. Interestingly, Mandeville combines this with the call to keep the workers ignorant. ↓ The footnote brings a second Mandeville quote with the same idea, this time not quite as blunt but adorned with the slogans “happiness for the workers and riches for the state.”

⁷² Bernard de Mandeville, *The Fable of the Bees*, 5th edn, London, 1728, Remarks, pp. 212–13, 328. ‘Temperate living and constant employment is the direct road, for the poor, to rational happiness’ (by which the author means the longest possible working days and the smallest possible amount of the means of subsistence), ‘and to riches and strength for the state’ (namely for the landowners, capitalists, and their political dignitaries and agents) (*An Essay on Trade and Commerce*, London, 1770, p. 54).

⁷² B. de Mandeville, („The Fable of the Bees“, 5th ed., Lond. 1728, Remarks, p. 212, 213, 328.)—„Mäßiges Leben und beständige Arbeit sind für den Armen der Weg zum materiellen Glücke“ (worunter er möglichst langen Arbeitstag und möglichst wenig Lebensmittel versteht) „und zum Reichtum für den Staat“ (nämlich Grundeigentümer, Kapitalisten und ihre politischen Würdeträger und Agenten). („An Essay on Trade and Commerce“, Lond. 1770, p. 54.)

Mandeville lived prior to the Industrial Revolution, and therefore did not experience that capitalism has the ability to create exactly those ideal conditions he was proposing:

765:1/o Mandeville, an honest man with a clear mind, does not yet see that the very mechanism of accumulation increases, along with the amount of capital, also the masses of the ‘laboring poor’, i.e. of wage laborers, who can sell their labor-power only if it becomes a force for increasing the valorization of the growing capital—who are therefore condemned to make their relation of dependence on their own product, as personified in the capitalist, into an eternal relation.

643:1–644:1 Was Mandeville, ein ehrlicher Mann und heller Kopf, noch nicht begreift, ist, daß der Mechanismus des Akkumulationsprozesses selbst mit dem Kapital die Masse der „arbeitsamen Armen“ vermehrt, d.h. der Lohnarbeiter, die ihre Arbeitskraft in wachsende Verwertungskraft des wachsenden Kapitals verwandeln und ebendadurch ihr Abhängigkeitsverhältnis von ihrem eignen, im Kapitalisten personifizierten Produkt verewigen müssen.

↑ The dependence of the worker on the capitalist is his dependence on his own product!
↓ Now a quote from Eden who also recommends that the servitude of the laborers should be made as comfortable as possible. This will be the punch line of the Eden quote, but let us first watch the buildup to this punch line:

In reference to this dependence, Sir F. M. Eden remarks, in his *The State of the Poor; or an History of the Laboring Classes in England*:

Mit Bezug auf dies Abhängigkeitsverhältnis bemerkt Sir F. M. Eden in seiner „Lage der Armen, oder Geschichte der arbeitenden Klasse Englands“:

The natural produce of our soil is certainly not fully adequate to our subsistence; we can neither be clothed, lodged nor fed but in consequence of some previous labor. 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 ex-

„Unsere Zone erfordert Arbeit zur Befriedigung der Bedürfnisse, und deshalb muß wenigstens ein Teil der Gesellschaft unermüdet arbeiten ... Einige, die nicht arbeiten, haben dennoch die Produkte des Fleißes zu ihrer Verfügung. Das verdanken diese Eigentümer aber nur der Zivilisation und Ordnung; sie sind reine Kreaturen der bürgerli-

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emption from labor solely to civilization and order ... They are peculiarly the creatures of civil institutions,⁷³ which have recognized that individuals may acquire property by various other means besides the exertion of labor
...

chen Institutionen.⁷³ Denn diese haben es anerkannt, daß man die Früchte der Arbeit auch anders als durch Arbeit sich aneignen kann.

While Mandeville said very clearly that the dependence of the working class is economic, Eden attributes the transfer of wealth from workers to nonworkers to the bourgeois institutions. Marx does not let this pass in silence; after all, there is no legal differentiation between worker and capitalist. They meet on the market as formal equals. Footnote 73 brings an interesting short defense of the primacy of the economic base, which differs from the usual “nothing would happen if people did not have to eat”:

⁷³ Eden should have asked: who created ‘the civil institutions’? From the standpoint he adopts, that of juridical illusion, he does not regard the law as a product of the material relations of production, but rather the reverse: he sees the relations of production as products of the law. Linguet overthrew Montesquieu’s illusory ‘esprit des lois’ (spirit of the laws) with one word: ‘The spirit of the laws is property.’

⁷³ Eden hätte fragen sollen, wessen Kreatur sind denn „die bürgerlichen Institutionen“? Vom Standpunkt der juristischen Illusion betrachtet er nicht das Gesetz als Produkt der materiellen Produktionsverhältnisse, sondern umgekehrt die Produktionsverhältnisse als Produkt des Gesetzes. Linguet warf Montesquieus illusorischen „Esprit des Lois“ mit dem einen Wort über den Haufen: „L'esprit des lois, c'est la propriété.“

↑ Marx’s implied argument is here: Laws and other “bourgeois institutions” are the conscious creations of individuals. They are a reflection of material production because the individuals who create these laws are usually aware of the general structure of society, even if they do not formulate it as bluntly and honestly as Eden and Mandeville did.

Question 849 (Fri Dec 3–Mon Dec 6) In footnote 23c254s773akmk to 765:1/o Marx asked: “who created the civil institutions?” He clearly had a specific answer in mind. Which answer? Full disclosure: I don’t know the answer myself. I see three possibilities:

- (a) members of the ruling class
- (b) individuals involved in production, with an intimate knowledge of the specific needs of production
- (c) individuals living in this society who have a general understanding of the structure of society

There may be other possibilities.

Question 850 (Fri Dec 3–Mon Dec 6) What is the “juridical illusion”? 2009fa, 2008fa, 2008SP, 2007SP.

↓ Marx has no quibbles with Eden’s next point: it is not the command over material goods (dead labor) but the command over living labor that distinguishes the rich from the poor.

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 labor which distinguishes the opulent from the laboring part of the community ...

Die Leute von unabhängigem Vermögen ver danken ihr Vermögen fast ganz der Arbeit anderer, nicht ihrer eignen Fähigkeit, die durchaus nicht besser ist als die der andren; es ist nicht der Besitz von Land und Geld, sondern das Kommando über Arbeit (the command of labour), das die Reichen von den Armen unterscheidet ...

Next Eden seems to talk about hegemony. Marx will remark below that this “easy and liberal” treatment of the working class is specific to the extensive phase of accumulation.

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This [the scheme approved by Eden] would give the people of property sufficient influence and authority over those who ... work for them; and it would place such laborers, not in an abject or servile condition, but in such a state of easy and liberal dependence as all who know human nature, and its history, will allow to be necessary for their own comfort.⁷⁴

Sir F. M. Eden, it may be remarked in passing, was the only disciple of Adam Smith to have achieved anything of importance during the eighteenth century.⁷⁵

Question 851 (*Fri Dec 3–Mon Dec 6*) Why is it more beneficial for capital to keep the working class in a state of “easy and liberal dependence” than to exert the maximum of surplus-value from them? [2009fa](#), [2008fa](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [1997ut](#), [1997sp](#), [1997WI](#).

Malthus is a counterexample here. According to his theory, there are too many laborers. Marx argues however that Malthus does not belong into the realm of classical thought but was a propagandist of party interests:

⁷⁵ If the reader thinks at this point of Malthus, whose *Essay on Population* appeared in 1798, I would remind him that this work in its first form is nothing more than a schoolboyish, superficial plagiarism of Defoe, Sir James Steuart, Townsend, Franklin, Wallace, etc., declaimed in the manner of a sermon, but not containing a single original proposition of Malthus himself. The great sensation this pamphlet caused was due solely to the fact that it corresponded to the interests of a particular party. The French Revolution had found passionate defenders in the United Kingdom; the ‘principle of population’, slowly worked out in the eighteenth century, and then, in the midst of a great social crisis, proclaimed with drums and trumpets as the infallible antidote to the doctrines of Condorcet and others, was greeted jubilantly by the English oligarchy as the great destroyer of all hankерings after a progressive development of humanity. Malthus, greatly astonished at his success, then set himself to the task of stuffing into the old framework of his book various bits of superficial compiled material, and adding to it new matter; but this new matter was not discovered by Malthus, it was merely annexed by him.

We will skip over some side remarks following here whether the population theorists practiced what they preached (theory-practice inconsistency).

After this literature review, which had started in [763:1/o](#), Marx continues his argument:

Was dem Armen zusagt, ist nicht eine verworfene oder servile Lage, sondern ein bequemes und liberales Abhängigkeitsverhältnis (a state of easy and liberal dependence), und für die Leute von Eigentum hinreichender Einfluß und Autorität über die, die für sie arbeiten ... Ein solches Abhängigkeitsverhältnis ist, wie jeder Kenner der menschlichen Natur weiß, notwendig für den Komfort der Arbeiter selbst.“⁷⁴

Sir F. M. Eden, beiläufig bemerkt, ist der einzige Schüler Adam Smiths, der während des achtzehnten Jahrhunderts etwas Bedeutendes geleistet hat.⁷⁵

⁷⁵ Sollte der Leser an Malthus erinnern, dessen „Essay on Population“ 1798 erschien, so erinnere ich, daß diese Schrift in ihrer ersten Form nichts als ein schülerhaft oberflächliches und pfäffisch verdeckelmiertes Plagiat aus Defoe, Sir James Steuart, Townsend, Franklin, Wallace usw. ist und nicht einen einzigen selbstgedachten Satz enthält. Das große Aufsehn, das dies Pamphlet erregte, entsprang lediglich Parteiinteressen. Die Französische Revolution hatte im britischen Königreich leidenschaftliche Verteidiger gefunden; das „Populationsprinzip“, langsam im 18. Jahrhundert herausgearbeitet, dann mitten in einer großen sozialen Krisis mit Pauken und Trompeten verkündet als das unfehlbare Gegengift gegen die Lehren von Condorcet u.a., wurde jubelnd begrüßt von der englischen Oligarchie als der große Auslöser aller Gelüste nach menschlicher Fortentwicklung. Malthus, über seinen Erfolg hocherstaunt, gab sich dann daran, oberflächlich kompiliertes Material in das alte Schema zu stopfen und neues, aber nicht von Malthus entdecktes, sondern nur annexiertes, zuzufügen.

25.1.c. [Dependence of Labor on Capital under Equal Organic Composition]

We are at an impasse. If one compares the quantitative growth trajectory of capital with that of the working-class, the conclusion seems inescapable that workers will eventually become scarce and their wages will rise. However experience shows that the capitalist system remains in place and even strengthens its grip over society. Marx has already drawn the conclusion from this that the growth of the working class must be a subprocess of capital accumulation. In order to develop this in more detail, Marx takes a closer look at accumulation. The first thing he says is that the conditions presently under consideration are the most favorable conditions for capital:

768/oo Under the conditions of accumulation assumed so far, conditions which are the most favorable to the workers, their relation of dependence on capital takes on forms which are tolerable or, as Eden says, ‘easy and liberal’. Instead of becoming more intensive with the growth of capital, this relation of dependence merely becomes more extensive, i.e. the sphere of capital’s exploitation and domination merely extends with its own dimensions and the number of people subjected to it.

This qualification hints at it that right now we are only talking about quantitative changes; any *qualitative* changes flowing from this will be discussed later.

After this qualification, Marx re-describes the process. He no longer views it as the interaction between two independent factors (capital and working class), but he looks at accumulation of capital and growth of the working-class as two aspects of the same overarching process:

A larger part of the workers’ own surplus product, which is always increasing and is continually being transformed into additional capital, comes back to them in the shape of means of payment, so that they can extend the circle of their enjoyments, make additions to their consumption fund of clothes, furniture, etc., and lay by a small reserve fund of money.

This is a quantitative, not a qualitative change in the overall reproduction process of capital:

But this rise in the price of labor, as a consequence of the accumulation of capital, no more abolishes the exploitation and dependence of the wage laborer than do better clothing, food and treatment, and a larger *peculium*, abolish that of the slave. This rise is merely proof that the length and weight of the golden chain, which the wage-laborer

645/oo Unter den bisher unterstellten, den Arbeitern günstigsten Akkumulationsbedingungen kleidet sich ihr Abhängigkeitsverhältnis vom Kapital in erträgliche oder, wie Eden sagt, „bequeme und liberale“ Formen. Statt intensiver zu werden mit dem Wachstum des Kapitals, wird es nur extensiver, d.h. die Exploitations- und Herrschaftssphäre des Kapitals dehnt sich nur aus mit seiner eigenen Dimension und der Anzahl seiner Untertanen.

Von ihrem eignen anschwellenden und schwelend in Zusatzkapital verwandelten Mehrprodukt strömt ihnen ein größerer Teil in der Form von Zahlungsmitteln zurück, so daß sie den Kreis ihrer Genüsse erweitern, ihren Konsumtionsfonds von Kleidern, Möbeln usw. besser ausstatten und kleine Reservefonds von Geld bilden können.

So wenig aber bessere Kleidung, Nahrung, Behandlung und ein größeres *Peculium* das Abhängigkeitsverhältnis und die Exploitation des Sklaven aufheben, so wenig die des Lohnarbeiters. Steigender Preis der Arbeit infolge der Akkumulation des Kapitals besagt in der Tat nur, daß der Umfang und die Wucht der goldenen Kette, die der Lohn-

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has already forged for himself, allow this chain to be loosened somewhat.

arbeiter sich selbst bereits geschmiedet hat, ihre losere Spannung erlauben.

Question 853 (*Fri Dec 3–Mon Dec 6*) *What does Marx use the metaphor of a golden chain for? Why does he say the chain has become heavier?* [2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [1997ut](#), [1997sp](#).

↑ Under this redescription, the reader can see how the reproduction of the working-class is subsumed under the accumulation of capital, ↓ therefore the only thing Marx has to argue is that this is the right way to look at it.

In the controversies around this question, one has generally overlooked that which matters most, namely, that which distinguishes capitalist production from other production. Labor-power is not purchased under this system for the purpose of satisfying, by its service or through its product, the personal needs of the buyer. The aim of the buyer is the valorization of his capital, the production of commodities which contain more labor than he paid for, whose value therefore contains a portion which costs him nothing and is nevertheless realized through the sale of those commodities.

↑ Making profits is not only the goal of the capitalist ↓ but the necessary outcome inscribed in the structure of the capitalist system:

The production of surplus-value, or the making of profits, is the absolute law of this mode of production.

↓ Marx has not yet explained how profit-making, the goal of the capitalist, becomes the outcome favored by the structure of the system. A brief explanation follows now:

Labor-power can be sold only to the extent that it preserves and maintains the means of production as capital, reproduces its own value as capital, and provides unpaid labor, the source of additional capital.⁷⁶

↑ This simple reasoning has a powerful prerequisite, which Marx does not stress enough here: the capitalists as a class are free to decide how much they want to accumulate. If no profits are to be made, accumulation ceases. ↓ Footnote 76 cites the literature to this effect.

⁷⁶ ‘The limit, however, to the employment of both the operative and the laborer is the same; namely, the possibility of the employer 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 will only employ them on condition of submission to a reduction of wages’ (John Wade, *op. cit.*, p. 241).

In den Kontroversen über diesen Gegenstand hat man meist die Hauptsache übersehen, nämlich die *differentia specifica* der kapitalistischen Produktion. Arbeitskraft wird hier gekauft, nicht um durch ihren Dienst oder ihr Produkt die persönlichen Bedürfnisse des Käufers zu befriedigen. Sein Zweck ist Verwertung seines Kapitals, Produktion von Waren, die mehr Arbeit enthalten, als er zahlt, also einen Wertteil enthalten, der ihm nichts kostet und dennoch durch den Warenverkauf realisiert wird.

Produktion von Mehrwert oder Plusmachelei ist das absolute Gesetz dieser Produktionsweise.

Nur soweit sie die Produktionsmittel als Kapital erhält, ihren eigenen Wert als Kapital reproduziert und in unbezahlter Arbeit eine Quelle von Zuschußkapital liefert, ist die Arbeitskraft verkaufbar.⁷⁶

⁷⁶ Note zur 2. Ausgabe. „Die Grenze jedoch der Beschäftigung von industriellen wie von ländlichen Arbeitern ist dieselbe: nämlich die Möglichkeit für den Unternehmer, einen Profit aus ihrem Arbeitsprodukt herauszuschlagen. Steigt die Rate des Arbeitslohns so hoch, daß der Gewinn des Meisters unter den Durchschnittsprofit fällt, so hört er auf, sie zu beschäftigen, oder beschäftigt sie nur unter der Bedingung, daß sie den Preis ihres Produkts nicht überschreiten.“ (Karl Marx, *Kapital*, Band I, Berlin 1972, S. 241).

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gung, daß sie eine Herabsetzung des Arbeitslohns zulassen.“ (John Wade, l.c., p. 240.)

↓ From the point of view of the laborers this means: they can sell their labor-power only under conditions which make it necessary for them to sell their labor-power again and again.

The conditions of the sale of labor-power, even if they are the most favorable for the worker, always include the necessity of its constant re-sale and provide for the continued extended reproduction of wealth as capital.

This has implications for the wages. Even if wages are comparatively favorable today, the condition of profitability ensures that they cannot be *very* favorable, and that they will never become very favorable in the future. The purpose for which labor-power is bought puts a lid on wages:

Wages, as we have seen, imply by their very nature that the worker must always provide a certain quantity of unpaid labor.

Die Bedingungen ihres Verkaufs, ob mehr oder minder günstig für den Arbeiter, schließen also die Notwendigkeit ihres steten Wiederverkaufs und die stets erweiterte Reproduktion des Reichtums als Kapital ein.

Der Arbeitslohn, wie man gesiehn, bedingt seiner Natur nach stets Lieferung eines bestimmten Quantums unbezahlter Arbeit auf Seiten des Arbeiters.

Higher daily or weekly wages do not necessarily mean that the proportion between paid and unpaid labor is more favorable for the worker, and even if it is, the improvement is only quantitative:

In the best of cases, an increase in wages means only a quantitative reduction in the amount of unpaid labor the worker has to supply (not to speak of those cases where a rise of wages is accompanied by a fall in the price of labor).

Ganz abgesehn vom Steigen des Arbeitslohns mit sinkendem Preis der Arbeit usw., besagt seine Zunahme im besten Fall nur quantitative Abnahme der unbezahlten Arbeit, die der Arbeiter leisten muß.

↑ Examples how wages can rise although the price of labor falls are given in the chapter on time wages, 684:1/o. Marx calls the decrease of unpaid labor *only* quantitative because ↓ it can never go to a point where it makes a qualitative difference.

This reduction can never go so far as to threaten the system itself.

Diese Abnahme kann nie bis zum Punkt fortgehn, wo sie das System selbst bedrohen würde.

After having sorted out all the relevant mechanisms and forces, Marx looks now at the *events*, at possible outcomes. He enumerates three scenarios about what might happen when wages rise. The first possibility is that the rise in wages leads to open conflict: presumably, the capitalists refuse to pay the higher wages and force the workers to accept low wages.

Apart from violent conflicts over the rate of wages (and Adam Smith already showed that in such a conflict the master, by and large, remained the master) a rise in the price of labor resulting from accumulation of capital may lead to the following alternatives:

Abgesehn von gewaltsamen Konflikten über die Rate des Arbeitslohns, und Adam Smith hat bereits gezeigt, daß im großen und ganzen in solchem Konflikt der Meister stets Meister bleibt, unterstellt ein aus Akkumulation des Kapitals entspringendes Steigen des Arbeitspreises folgende Alternative.

↓ Neither side of the following alternative allows the worker to truly get ahead:

770:1/o Either the price of labor keeps

647:1–648:1 Entweder fährt der Preis der

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on rising, because its rise does not interfere with the progress of accumulation. There is nothing remarkable in this, for as Adam Smith says,

‘after these’ (profits) ‘are diminished, stock may not only continue to increase, but to increase much faster than before ... A great stock, though with small profits, generally increases faster than a small stock with great profits’ (op. cit., Vol. 1, p. 189).

In this case it is evident that a reduction in the amount of unpaid labor in no way interferes with the extension of the reign of capital.

↑ These are the phases in the business cycle in which the demand generated by wages leads to economic expansion, or in which high capacity utilization allows high profits even if wages are high, etc. It is not uncommon that temporarily both wages and profits rise. ↓ The other alternative is not that the laborer triumphs over capital but that capital accumulation slackens:

Or, the other alternative, accumulation slackens as a result of the rise in the price of labor, because the stimulus of gain is blunted. The rate of accumulation lessens.

Capital does not *have* to accumulate at a pre-set rate at every point in time. It will only accumulate to the extent that accumulation helps its drive for continuous profits. Of course, if accumulation stalls because wages are too high, this is a defeat for capital. But the ability to endure these defeats allows capital to continue the war to its final victory.

But this means that the primary cause of that lessening itself vanishes, i.e. the disproportion between capital and exploitable labor-power. The mechanism of the capitalist production process removes the very obstacles it temporarily creates. The price of labor falls again to a level corresponding with capital’s requirements for self-valorization, whether this level is below, the same as, or above that which was normal before the rise of wages took place.

↑ Marx has shown that the capitalist, simply by doing what is rational for them, namely, investing more if the profit rate is high and less if it is low, retain the upper hand in competition with labor. No special strategic behavior towards labor is necessary.

Question 854 (*Fri Dec 3–Mon Dec 6*) Does it make sense for the working class to fight for higher wages if the capitalist, for economic reasons, usually maintains the upper hand in such conflicts? [2009fa](#), [2007fa](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [1997ut](#), [1997sp](#), [1997WI](#).

Arbeit fort zu steigen, weil seine Erhöhung den Fortschritt der Akkumulation nicht stört; es liegt darin nichts Wunderbares, denn, sagt A. Smith,

„selbst bei gesunkenem Profit vermehren sich die Kapitale dennoch; sie wachsen selbst rascher als vorher ... Ein großes Kapital wächst selbst bei kleinerem Profit im allgemeinen rascher als ein kleines Kapital bei großem Profit.“ (l.c. 1, p. 189.)

In diesem Falle ist es augenscheinlich, daß eine Verminderung der unbezahlten Arbeit die Ausdehnung der Kapitalherrschaft keineswegs beeinträchtigt.

—Oder, das ist die andre Seite der Alternative, die Akkumulation erschafft infolge des steigenden Arbeitspreises, weil der Stachel des Gewinns abstumpft. Die Akkumulation nimmt ab.

Aber mit ihrer Abnahme verschwindet die Ursache ihrer Abnahme, nämlich die Disproportion zwischen Kapital und explozierbarer Arbeitskraft. Der Mechanismus des kapitalistischen Produktionsprozesses besiegelt also selbst die Hindernisse, die er vorübergehend schafft. Der Arbeitspreis fällt wieder auf ein den Verwertungsbedürfnissen des Kapitals entsprechendes Niveau, ob dieses nun unter, über oder gleich mit dem Niveau, welches vor Eintritt des Lohnzuwachses als normal galt.

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Question 855 (*Fri Dec 3–Mon Dec 6*) Does the dependence of the workers on capital decrease when wages are high? 2009fa, 2008SP, 2004fa, 2003fa, 2002fa, 2001fa, 2000fa, 1999SP, 1998WI, 1997WI.

Next, Marx verifies that the deeper reasons of this favorable automatic outcome are, indeed, the fact that the growth of the working-class depends on the accumulation of capital. It is written against the background of Malthus's population theory, which was so well-known that Marx did not see the need to explain it here. It will be described later, on p. 790:1/o. While Malthus claims that population growth is the independent variable which places a limit on capital accumulation, Marx holds that capital accumulation is the independent variable. Throughout the book, Marx has always stressed that actions come from things and are conditioned by the properties of things. In this framework the question "who is acting" is a relevant one.

↓ Marx still refers to the two sides of the alternative: either capital continues to accumulate despite high wages, or accumulation slows until wages fall. In either case, capital accumulation acts and the growth of the working population reacts:

We see therefore that in the first case it was not the diminished rate, either of the absolute or of the proportional increase in labor-power or working population, which caused the excess quantity of capital, but rather the converse, the increase in capital made the exploitable labor-power insufficient. In the second case it was not the increased rate, either of the absolute or of the proportional increase in labor-power, or the working population, that made the capital insufficient, but rather the converse; the relative reduction in the amount of capital caused the exploitable labor-power, or rather its price, to be in excess.

Man sieht: Im ersten Fall ist es nicht die Abnahme im absoluten oder proportionellen Wachstum der Arbeitskraft oder Arbeiterbevölkerung, welche das Kapital überschüssig, sondern umgekehrt die Zunahme des Kapitals, welche die exploitable Arbeitskraft unzureichend macht. Im zweiten Fall ist es nicht die Zunahme im absoluten oder proportionellen Wachstum der Arbeitskraft oder der Arbeiterbevölkerung, welche das Kapital unzureichend, sondern umgekehrt die Abnahme des Kapitals, welche die exploitable Arbeitskraft, oder vielmehr ihren Preis, überschüssig macht.

↑ One might also say that capital accumulation is the independent and the growth of the working population the dependent variable. Or one might call capital accumulation active and the working population passive. This all amounts to the same thing.

"Or rather its price" in the last sentence above is an important qualification. Through the mechanism presently discussed, capital accumulation does not increase the size of exploitable population directly but it lowers the price of labor-power. In the next section we will see an action of capital which has a more direct effect on the size of the labor-supply itself.

↓ Now Marx explains why it is not apparent that capital is active and the population passive:

It is these absolute movements of the accumulation of capital which manifest themselves as relative movements of the mass of exploitable labor-power, and therefore seem produced by the latter's own independent movement.

Es sind diese absoluten Bewegungen in der Akkumulation des Kapitals, welche sich als relative Bewegungen in der Masse der exploitablen Arbeitskraft widerspiegeln und daher der eignen Bewegung der letztern geschuldet scheinen.

↑ Capital does not seem to be the causal force because the changes in the rate of capital

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accumulation are invisible. One does not see that the capitalists decide to invest more; that decision is made behind closed board rooms. What one sees is that there is suddenly a shortage in the labor market because demand for labor grows faster than its supply. This is what Marx means by the relative movements of the mass of exploitable labor-power. Since this reaction on the side of the labor market is the first thing one sees, one is tempted to think that the impulse comes from labor, not from capital.

Question 858 (*Fri Dec 3–Mon Dec 6*) *Explain how the relation between capital and wage labor can be characterized as: “the absolute movements of the accumulation of capital manifest themselves as relative movements of the mass of exploitable labor-power, and therefore seem produced by the latter’s own independent movement.”* [2009fa](#), [2008SP](#), [2007SP](#).

To put it mathematically: the magnitude of accumulation is the independent, not the dependent variable; the magnitude of wages is the dependent, not the independent variable.

Um mathematischen Ausdruck anzuwenden: die Größe der Akkumulation ist die unabhängige Variable, die Lohngröße die abhängige, nicht umgekehrt.

Question 859 (*Fri Dec 3–Mon Dec 6*) *Recapitulate the concrete reasoning which leads Marx to the conclusion that the accumulation of capital is the independent, and the wage rate the dependent variable.* [2009fa](#), [2008fa](#), [2007SP](#), [2000fa](#), [1999SP](#).

Following up on his result that accumulation is active and the wage passive, Marx re-describes the relationship in such a way that capital is seen as the real agent, an “automatic subject,” as Marx called it in [255:1](#). The mechanism behind the alleged “natural population law” is not natural at all, Marx calls it “law of capitalist production” or “law of capitalist accumulation.”

[771:1/o](#) The law of capitalist production which lies at the basis of the supposed ‘natural law of population’ can be reduced simply to this: the relation between capital, accumulation and the rate of wages is nothing other than the relation between the part of the unpaid labor that has been transformed into capital, and the additional paid labor necessary to set in motion this additional capital. It is therefore in no way a relation between two magnitudes which are mutually independent, i.e. between the magnitude of the capital and the numbers of the working population; it is rather, at bottom, only the relation between the unpaid and the paid labor of the same working population. If the quantity of unpaid labor supplied by the working class and accumulated by the capitalist class increases so rapidly that its transformation into capital requires an extraordinary addition of paid labor, then wages rise and, all other circumstances remaining equal, the unpaid labor diminishes

[648:2/o](#) Das Gesetz der kapitalistischen Produktion, das dem angeblichen „natürlichen Populationsgesetz“ zugrunde liegt, kommt einfach auf dies heraus: Das Verhältnis zwischen Kapital, Akkumulation und Lohnrate ist nichts als das Verhältnis zwischen der unbezahlten, in Kapital verwandelten Arbeit und der zur Bewegung des Zusatzkapitals erforderlichen zusätzlichen Arbeit. Es ist also keineswegs ein Verhältnis zweier voneinander unabhängigen Größen, einerseits der Größe des Kapitals, andererseits der Zahl der Arbeiterbevölkerung, es ist vielmehr in letzter Instanz nur das Verhältnis zwischen der unbezahlten und der bezahlten Arbeit derselben Arbeiterbevölkerung. Wächst die Menge der von der Arbeiterklasse gelieferten und von der Kapitalistenklasse akkumulierten, unbezahlten Arbeit rasch genug, um nur durch einen außergewöhnlichen Zuschuß bezahlter Arbeit sich in Kapital verwandeln zu können, so steigt der Lohn, und alles and-

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in proportion. But as soon as this diminution touches the point at which the surplus labor that nourishes capital is no longer supplied in normal quantity, a reaction sets in: a smaller part of revenue is capitalized, accumulation slows down, and the rising movement of wages comes up against an obstacle. The rise of wages is therefore confined within limits that not only leave intact the foundations of the capitalist system, but also secure its reproduction on an increasing scale.

re gleichgesetzt, nimmt die unbezahlte Arbeit im Verhältnis ab. Sobald aber diese Abnahme den Punkt berührt, wo die das Kapital ernährende Mehrarbeit nicht mehr in normaler Menge angeboten wird, so tritt eine Reaktion ein: ein geringerer Teil der Revenue wird kapitalisiert, die Akkumulation erlahmt, und die steigende Lohnbewegung empfängt einen Gegenschlag. Die Erhöhung des Arbeitspreises bleibt also eingebannt in Grenzen, die die Grundlagen des kapitalistischen Systems nicht nur unangestastet lassen, sondern auch seine Reproduktion auf wachsender Stufenleiter sichern.

Marx wrote “ein Verhältnis zweier voneinander unabhängigen Größen,” instead of the

grammatically correct “unabhängiger.” He was probably thinking the more colloquial: “ein

Verhältnis von zwei voneinander unabhängigen Größen.”

This explains the “stylized facts” from 763:1/o. At the end, a pun on “natural law.” Malthus calls his law of population a “natural law.”

The law of capitalist accumulation, mystified by the economists into a supposed law of nature in fact expresses the situation that the very nature of accumulation excludes every diminution in the degree of exploitation of labor, every rise in the price of labor, which could seriously imperil the continual reproduction, on an ever larger scale, of the capital relation.

It is clearly a case of fetishism to call a law “natural” although it springs from the specific nature of capitalist production. Next Marx alludes to the underlying fetish-like character of capital.

It cannot be otherwise in a mode of production in which the worker exists to satisfy the need of the existing values for valorization, as opposed to the inverse situation, in which objective wealth is there to satisfy the worker’s own need for development. Just as man is governed, in religion, by the products of his own brain, so, in capitalist production, he is governed by the products of his own hand.^{77a}

That the standard of living of the laborers is subordinated to the needs of capital is an expression of the fetish-like character of capital. “Fetish-like character” no longer means, as in the case of commodities, that the social relations *lack transparency* because they go through things, but that these things now *dominate* the individuals.

Das in ein Naturgesetz mystifizierte Gesetz der kapitalistischen Akkumulation drückt also in der Tat nur aus, daß ihre Natur jede solche Abnahme im Exploitationsgrad der Arbeit oder jede solche Steigerung des Arbeitspreises ausschließt, welche die stetige Reproduktion des Kapitalverhältnisses und seine Reproduktion auf stets erweiterter Stufenleiter ernsthaft gefährden könnte.

Es kann nicht anders sein in einer Produktionsweise, worin der Arbeiter für die Verwertungsbedürfnisse vorhandner Werte, statt umgekehrt der gegenständliche Reichtum für die Entwicklungsbedürfnisse des Arbeiters da ist. Wie der Mensch in der Religion vom Machwerk seines eignen Kopfes, so wird er in der kapitalistischen Produktion vom Machwerk seiner eignen Hand beherrscht.^{77a}

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Question 861 (*Fri Dec 3–Mon Dec 6*) *How does the fetish-like character of capital discussed in the Accumulation chapter differ from that of the commodity discussed in chapter One?* [2009fa](#), [2008SP](#), [2001fa](#), [1997WI](#).

In footnote 77a, a question is asked similar to that which Marx earlier referred to as the “secret” of the fetish-like character of commodities: how does it happen that people become subordinate to their own product?

^{77a} ‘If we now return to our first inquiry, where we showed that capital itself is only a product of human labor ... it seems quite incomprehensible that man can have fallen under the domination of capital, his own product, and can be subordinated to it; and as in reality this is indisputably the case, the question involuntarily forces itself on us: How has the worker been able to pass from being the master of capital—as its creator—to being its slave?’ (Von Thünen, *Der isolirte Staat*, Part Two, Section Two, Rostock, 1863, pp. 5, 6.) It is to Thünen’s credit that he asked this question. His answer is simply childish.

^{77a} „Gehen wir aber nun auf unsere erste Untersuchung zurück, wo nachgewiesen ist ... daß das Kapital selbst nur das Erzeugnis menschlicher Arbeit ist ... so scheint es ganz unbegreiflich, daß der Mensch unter die Herrschaft seines eigenen Produkts—das Kapital—geraten und diesem untergeordnet werden könne; und da dies in der Wirklichkeit doch unleugbar der Fall ist, so drängt sich unwillkürlich die Frage auf: wie hat der Arbeiter aus dem Beherrischer des Kapitals—als Schöpfer desselben—zum Sklaven des Kapitals werden können?“ (Von Thünen, „Der isolirte Staat“, Zweiter Theil, Zweite Abtheilung, Rostock 1863, p. 5, 6.) Es ist das Verdienst Thünens, gefragt zu haben. Seine Antwort ist einfach kindisch.

Question 863 (*Fri Dec 3–Mon Dec 6*) *What is the right answer to the question: “How has the worker” (and not only the worker but mankind as a whole) “been able to pass from being the master of capital—as its creator—to being its slave?”* [2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#), [2001fa](#).

25.2. Relative Diminution of the Variable Part of Capital as Accumulation, and the Concentration that Accompanies it, Progresses

This section shows how accumulation leads to a “qualitative change” in the composition of capital (sic in 781:1), i.e., to a rise in the value composition c/v . The following causal chain is presented: (1) Capital accumulation leads to higher technology, and (2) higher technology leads to higher organic composition. Both links are themselves sequences of finer steps: Link (1) is subdivided into (1a) capital accumulation leads to concentration of production sites, and (1b) more concentrated production leads to higher technology, and Marx discusses also the reverse connection that (1c) higher technology furthers capital accumulation. Link (2) is subdivided into (2a) higher technology leads to higher technical composition, and (2b) this higher technical composition is also reflected in a higher value composition. These links are given in the the following order: (2a), (2b), (1b), (1c), (1a).

Section 25.2 concludes with a few remarks that this change in the composition of capital results in a declining demand for labor. I.e., not only do wages stay low during accumulation, as argued in 25.1, but in addition, accumulation generates unemployment. A more thorough development of this additional link, that higher organic composition leads to a surplus population of laborers, will be the subject of section 25.3.

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772:1 According to the economists themselves, it is neither the actual extent of social wealth nor the magnitude of the capital already acquired that leads to a rise of wages, but only the continued growth of accumulation and the speed of that growth (Adam Smith, Book I, chapter 8).

If wages were determined by the Malthusian mechanism (best described on p. 790:1/o), then the absolute size of capital, not the speed of its accumulation, should be relevant for wages. The Malthusian economists are therefore inconsistent when they say that speed matters. Marx agrees that speed indeed matters. But the mechanisms described in section 25.1 are not sufficient to explain the importance of speed. 25.1 only treated one particular phase of the accumulation process:

So far, we have considered only one particular phase of this process: expansion of capital under a constant technical composition of capital. But the process advances beyond this phase.

650:1 Nach den Ökonomen selbst ist es weder der vorhandne Umfang des gesellschaftlichen Reichtums noch die Größe des bereits erworbnen Kapitals, die eine Lohnerhöhung herbeiführen, sondern lediglich das fortgesetzte Wachsen der Akkumulation und der Geschwindigkeitsgrad ihres Wachstums. (A. Smith, Buch I, Kap. 8).

Bisher haben wir nur eine besondere Phase dieses Prozesses betrachtet, diejenige, in der der Kapitalzuwachs stattfindet bei gleichbleibender technischer Zusammensetzung des Kapitals. Aber der Prozeß schreitet über diese Phase hinaus.

Accumulation under constant technical composition of capital is only one phase of the process. Once under way, this accumulation generates its own negation.

25.2.a. [Law of Increasing Value Composition]

↓ The assumption of capitalist accumulation will be relaxed in 775:1/o, where the conditions of the development of the productive forces will be investigated on the broader basis of commodity production.

772:2 Once given the general basis of the capitalistic system ...

650:2–3 Die allgemeinen Grundlagen des kapitalistischen Systems einmal gegeben, ...

↓ The rest of the paragraph describes the result which we called step (1).

... a point is regularly reached in the course of accumulation at which the development of the productivity of social labor becomes the most powerful lever of accumulation.

... tritt im Verlauf der Akkumulation jedesmal ein Punkt ein, wo die Entwicklung der Produktivität der gesellschaftlichen Arbeit der mächtigste Hebel der Akkumulation wird.

The English translation is not very clear here because the “*jedesmal*” is left out. The French is a little clearer than the German, it

translates as follows: the development of the productive forces of social labor always intervenes (survient) at a certain

point of accumulation, in order to become from then on its most powerful lever.”

↑ This can be characterized as a dialectical transition from quantitative to qualitative accumulation. In other words, the *ceteris paribus* condition in the preceding section 763:1/o, constant composition of capital, which must eventually lead to rising wages, does not persist but is necessarily overturned. ↓ Increase in capital not only means that more workers are needed, but it also makes possible new and more productive production methods:

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'The same cause', says Adam Smith, 'which raises the wages of labor, the increase of stock, tends to increase its productive powers, and to make a smaller quantity of labor produce a greater quantity of work.'

„Dieselbe Ursache“, sagt A. Smith, „die die Löhne erhöht, nämlich die Zunahme des Kapitals, treibt zur Steigerung der produktiven Fähigkeiten der Arbeit und setzt eine kleinere Arbeitsmenge instand, eine größere Menge von Produkten zu erzeugen.“

In the French edition 542:3/o, the next paragraph starts with: "But how does this result come about?" But instead of describing step (1) now in detail, Marx first concentrates on step (2), the link between increased productive powers of labor and the value composition. As indicated earlier, this is broken into two halves, first (2a), from productive powers of labor to *technical* composition:

Term Paper Topic 865 (Fri Dec 3–Mon Dec 6) Compare the accumulation chapter in the French with that in the German edition.

773:1 Apart from natural conditions, such as the fertility of the soil etc., and the skill of independent and isolated producers (which has more of a bearing on the quality than the quantity of the products), the social degree of productivity of labor expresses itself in the relative extent of the means of production that one worker, during a given time, with the same intensity of exertion of his or her labor-power, turns into products.

650:4/o Abgesehn von Naturbedingungen, wie Fruchtbarkeit des Bodens usw., und vom Geschick unabhängiger und isoliert arbeitender Produzenten, das sich jedoch mehr qualitativ in der Güte als quantitativ in der Masse des Machwerks bewährt, drückt sich der gesellschaftliche Produktivgrad der Arbeit aus im relativen Größenumfang der Produktionsmittel, welche ein Arbeiter, während gegebner Zeit, mit derselben Anspannung von Arbeitskraft, in Produkt verwandelt.

Marx distinguishes three aspects of the productivity of labor: (1) natural conditions, (2) the skills of the workers, and (3) an additional contribution from mechanization, division of labor, and other co-operative aspects of production. The degree of evolution of this third aspect, which Marx had already introduced in 443:2, expresses itself in in the technical composition.

I am interpreting *der gesellschaftliche Produktivgrad der Arbeit* to mean the level of the social productive powers of labor which, as the cooperation chapter 447:1 clarified, is a productive power of social labor. The French

edition supports this, it says in 544:1: "le développement des puissances productives du travail social." Fowkes's translation has the same connotation. But the Moore-Aveling translation does not; they write "the degree of

productivity of labor, in a given society," i.e., they mean the average of the individual productivities and not a social force separate from individual skills.

An expression of some invisible process (here: productivity growth) is an observable series of events which accompanies that process and which can be taken as an indicator that this invisible process is taking place. Here, the observable surface phenomena are the rise in the technical composition. They rise whenever the productive powers of labor increase. The next sentence states this once more in simple terms:

The mass of means of production with which the laborer operates increases with the productivity of his labor.

Die Masse der Produktionsmittel, womit er funktioniert, wächst mit der Produktivität seiner Arbeit.

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By saying that something is an expression, we do not claim that it has to be one specific causal connection, i.e., expressions do not always have to be effects or conditions or causes. In some cases they are one, in other cases the other. In the present case the connection is two-fold; rising technical composition is both effect and condition of the increasing productivity:

The means of production play a double role here. The increase of some is a consequence and that of others a condition of the increasing productivity of labor. For example, with division of labor (under manual manufacture) and the application of machinery, more raw material is worked up in the same time, and therefore a greater mass of raw material and auxiliary substances enters into the labor process. This is a consequence of the increasing productivity of labor. On the other hand, the mass of machinery, beasts of burden, mineral fertilizers, drain pipes, etc. is a condition of the increasing productivity of labor. The means of production concentrated in buildings, gigantic furnaces, means of transport, etc. are conditions as well.

The next sentence can be considered an explanation of the terminology “expresses itself”: But whether condition or consequence, the growing extent of the means of production, as compared with the labor-power incorporated into them, is an expression of the growing productivity of labor.

Diese Produktionsmittel spielen dabei eine doppelte Rolle. Das Wachstum der einen ist Folge, das der andren Bedingung der wachsenden Produktivität der Arbeit. Z.B. mit der manufakturmäßigen Teilung der Arbeit und der Anwendung von Maschinerie wird in derselben Zeit mehr Rohmaterial verarbeitet, tritt also größere Masse von Rohmaterial und Hilfsstoffen in den Arbeitsprozeß ein. Das ist die Folge der wachsenden Produktivität der Arbeit. Andrerseits ist die Masse der angewandten Maschinerie, Arbeitsviehs, mineralischen Düngers, Drainierungsrohren usw. Bedingung der wachsenden Produktivität der Arbeit. Ebenso die Masse der in Baulichkeiten, Riesenöfen, Transportmitteln usw. konzentrierten Produktionsmittel.

Ob aber Bedingung oder Folge, der wachsende Größenumfang der Produktionsmittel im Vergleich zu der ihnen einverleibten Arbeitskraft drückt die wachsende Produktivität der Arbeit aus.

Question 866 (Tue Dec 7–Thu Dec 9) In 773:1, Marx discusses an empirical phenomenon in which technical progress “expresses” itself. Which phenomenon is that? Why does Marx speak here of an expression? 2009fa, 2008fa, 2008SP, 2007fa, 2007SP, 2003fa, 2002fa, 2001fa, 2000fa, 1999SP.

↓ The next sentence contains at its beginning a “therefore,” in German *auch*, which is a weak version of “therefore” that might also be translated as “thus.” I.e., Marx makes an additional step here.

The increase of the latter appears, therefore, in the diminution of the mass of labor in proportion to the mass of means of production moved by it, or in the diminution of the subjective factor of the labor process as compared with the objective factors.

Die Zunahme der letzteren erscheint also in der Abnahme der Arbeitsmasse verhältnismäßig zu der von ihr bewegten Masse von Produktionsmitteln oder in der Größenabnahme des subjektiven Fakors des Arbeitsprozesses, verglichen mit seinen objektiven Faktoren.

Here Marx no longer speaks of “expression” but of “form of appearance.” While an expression of a process going on in the core is part of channel (1) defined earlier (i.e., it is information which this process sends about itself to the surface), forms of appearance are part of channel (2): they are surface relations which direct and focus individual activities

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in such a way that they have an impact on the core. The problem with this appearance is that it is an *inverted* appearance: the *increase* of productivity in the core is, on the surface, experienced as a *decrease* of labor relative to the mass of means of production. In the French edition 544:1, Marx adds the following sentence here:

544:1 To the extent therefore that the growth of capital makes labor more productive, it diminishes the demand for labor proportionally to its own magnitude.

↑ I.e., labor, which just has become better, is demanded less. The reaction on the surface to increasing productivity is therefore perverse: Instead of providing more wealth for all, higher productivity leads to unemployment and lower wages, more misery for the working class.

In the next two paragraphs, Marx discusses step (2b), from technical composition to value composition. He first gives an example of increasing technical composition:

773:2/o This change in the technical composition of capital, this growth in the mass of means of production, as compared with the mass of labor-power that gives life to them, is reflected in its value-composition, since the constant constituent of capital increases at the expense of its variable constituent. There may be, for example, originally 50 per cent of the capital laid out in means of production, and 50 per cent in labor-power; later on, with the development of the productivity of labor, 80 per cent may be laid out in means of production, 20 per cent in labor-power and so on.

There is no mathematical necessity for the increased technical composition to lead to an increased value composition, since higher technology also cheapens the means of production, which counteracts the increase in their mass. However it is a plausible hypothesis that labor can only be saved by increasing some other input into the production process. Rising technical composition means that machines have to be increased; rising value composition can perhaps be justified by the idea that the extent of co-operation has to be increased: one needs an increasing amount of labor elsewhere in order to assist a decrease here.

But even if something is very plausible, it is prudent to check it against the facts, and this is what Marx does next. He cannot bring direct data about value composition (which were unavailable at his time), but refers to price data.

This law of the progressive growth of the constant part of capital in comparison with the variable part is confirmed at every step (as already said in the earlier development) by the comparative analysis of the prices of commodities, whether we compare different economic epochs or different nations in the same epoch. The relative magnitude of the

544:1 A mesure donc que l'accroissement du capital rend le travail plus productif, il en diminue la demande proportionnellement à sa propre grandeur.

651:1 Diese Veränderung in der technischen Zusammensetzung des Kapitals, das Wachstum in der Masse der Produktionsmittel, verglichen mit der Masse der sie belebenden Arbeitskraft, spiegelt sich wider in seiner Wertzusammensetzung, in der Zunahme des konstanten Bestandteils des Kapitalwerts auf Kosten seines variablen Bestandteils. Es werden z.B. von einem Kapital, prozentweis berechnet, ursprünglich je 50% in Produktionsmitteln und je 50% in Arbeitskraft ausgelegt, später, mit der Entwicklung des Produktivgrads der Arbeit, je 80% in Produktionsmitteln und je 20% in Arbeitskraft usw.

Dies Gesetz des steigenden Wachstums des konstanten Kapitalteils im Verhältnis zum variablen wird auf jedem Schritt bestätigt (wie schon oben entwickelt) durch die vergleichende Analyse der Warenpreise, gleichviel ob wir verschiedene ökonomische Epochen bei einer einzigen Nation vergleichen oder verschiedene Nationen in

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part of the price which represents the value of the means of production, or the constant part of the capital, is in direct proportion to the progress of accumulation, whereas the relative magnitude of the other part of the price, which represents the variable part of the capital, or the payment made for labor, is in inverse proportion to the progress of accumulation.

↑ Prices of constant capital in relation to overall prices were already discussed in the machinery chapter, p. 512:2. And the chapter about National Differences of Wages, 702:3, says that the wage relative to the value of the product, and therefore also the piece wage, is lower in countries with higher development.

↓ But the increase in organic composition is by far not as great as the increase in technical composition:

774:1 However, this diminution in the variable part of capital as compared with the constant part, or, in other words, this change in the composition of the value of the capital, gives only an approximate indication of the change in the composition of its material constituents. The value of the capital employed today in spinning is 7/8 constant and 1/8 variable, while at the beginning of the eighteenth century it was 1/2 constant 1/2 variable. Yet, in contrast to this, the mass of raw material, instruments of labor, etc. that a certain quantity of spinning labor consumes productively today is many hundred times greater than at the beginning of the eighteenth century. The reason is simple: with the increasing productivity of labor, the mass of the means of production consumed by labor increases, but their value in comparison with their mass diminishes. Their value therefore rises absolutely, but not in proportion to the increase in their mass. The difference between constant and variable capital increases therefore much less than the difference between the mass of the means of production into which the constant capital, and the mass of the labor-power into which the variable capital, is converted. The former difference increases with the latter, but in a smaller degree.

derselben Epoche. Die relative Größe des Preiselements, welches nur den Wert der verzehrten Produktionsmittel oder den konstanten Kapitalteil vertritt, wird in direktem, die relative Größe des andern, die Arbeit bezahlenden oder den variablen Kapitalteil vertretenden Preiselements, wird im allgemeinen in umgekehrtem Verhältnis stehn zum Fortschritt der Akkumulation.

651:2/o Die Abnahme des variablen Kapitalteils gegenüber dem konstanten oder die veränderte Zusammensetzung des Kapitalwerts zeigt jedoch nur annähernd den Wechsel in der Zusammensetzung seiner stofflichen Bestandteile an. Wenn z.B. heute der in der Spinnerei angelegte Kapitalwert zu 7/8 konstant und 1/8 variabel ist, während er Anfang des 18. Jahrhunderts 1/2 konstant und 1/2 variabel war, so ist dagegen die Masse von Rohstoff, Arbeitsmitteln usw., die ein bestimmtes Quantum Spinnarbeit heute produktiv konsumiert, vielhundertmal größer als im Anfang des 18. Jahrhunderts. Der Grund ist einfach der, daß mit der wachsenden Produktivität der Arbeit nicht nur der Umfang der von ihr vernutzten Produktionsmittel steigt, sondern deren Wert, verglichen mit ihrem Umfang, sinkt. Ihr Wert steigt also absolut, aber nicht proportional mit ihrem Umfang. Das Wachstum der Differenz zwischen konstantem und variabilem Kapital ist daher viel kleiner als das der Differenz zwischen der Masse der Produktionsmittel, worin das konstante, und der Masse Arbeitskraft, worin das variable Kapital umgesetzt wird. Die erstere Differenz nimmt zu mit der letzteren, aber in geringerem Grad.

Question 867 (Tue Dec 7–Thu Dec 9) Often it has been argued that yes, technical composi-

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tion increases, but productive powers of labor increase so fast that the increased machinery and materials represent less labor than before, i.e., the organic composition decreases. Was this a possibility which Marx had overlooked? 2009fa, 2003fa, 2001fa, 1998WI.

At the end of this discussion, Marx remarks: Although the proportion of variable capital declines, its absolute amount may still rise:

774:2 To avoid misunderstandings: if the progress of accumulation lessens the relative magnitude of the variable part of capital, this by no means excludes the possibility of a rise in its absolute magnitude. Suppose that a capital-value is divided at first into 50 per cent constant and 50 per cent variable capital, and later into 80 per cent constant and 20 per cent variable capital. If, in the meantime, the original capital, say £6,000, has increased to £18,000, its variable constituent has also increased, in fact by 20 per cent. It was £3,000, it is now £3,600. But whereas formerly an increase of capital by 20 per cent would have sufficed to raise the demand for labor by 20 per cent, now the original capital needs to be tripled to secure an increase of 20 per cent in the demand for labor.

652:1 Übrigens, wenn der Fortschritt der Akkumulation die relative Größe des variablen Kapitalteils vermindert, schließt er damit die Steigerung ihrer absoluten Größe keineswegs aus. Gesetzt, ein Kapitalwert spalte sich anfangs in 50% konstantes und 50% variables Kapital, später in 80% konstantes und 20% variables. Ist inzwischen das ursprüngliche Kapital, sage 6000 Pfd. St., gewachsen auf 18 000 Pfd.St., so ist sein variabler Bestandteil auch um 1/5 gewachsen. Er war 3000 Pfd.St., er beträgt jetzt 3600 Pfd.St. Wo aber früher ein Kapitalzuwachs von 20% genügt hätte, die Nachfrage nach Arbeit um 20% zu steigern, erfordert das jetzt Verdreifachung des ursprünglichen Kapitals.

This paragraph starts in German with “*übrigens*” (by the way), in French with “enfin, pour éviter des

erreurs.” This indicates that it is a mere side remark at the end of the discussion. My translation

followed the French.

25.2.b. [Social Productive Powers and Accumulation]

Next, Marx begins to argue step (1): how accumulation leads to higher productive powers of labor. He first tackles step (1b): how large scale production furthers those productive powers.

775:1/o We showed in Part IV how the development of the social productive powers of labor presupposes co-operation on a large scale. Only on this basis can the division and combination of labor be organized, can the means of production be economized by large scale concentration, can instruments of labor (such as systems of machinery) be developed which, by their technical nature, can only be used in common, can gigantic natural forces be pressed into the service of production, and can the transformation be carried out which turns the production pro-

652:2/o Im vierten Abschnitt wurde gezeigt, wie die Entwicklung der gesellschaftlichen Produktivkraft der Arbeit Kooperation auf großer Stufenleiter voraussetzt, wie nur unter dieser Voraussetzung Teilung und Kombination der Arbeit organisiert, Produktionsmittel durch massenhafte Konzentration ökonomisiert, schon stofflich nur gemeinsam anwendbare Arbeitsmittel, z.B. System der Maschinerie usw., ins Leben gerufen, ungeheure Naturkräfte in den Dienst der Produktion gepreßt und die Verwandlung des Produktionsprozesses in technolo-

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cess into a process of the technological application of scientific knowledge.

Large scale co-operative production is a presupposition for the development of the social productive powers of labor. This is not only true in capitalism. But capitalism enters the picture in an interesting way:

When the prevailing system is the production of commodities, i.e., the means of production are the property of private persons, and the artisan therefore either produces in isolation and independently for the market, or sells his labor-power on the market because he lacks the means to produce independently, the above-mentioned presupposition, namely co-operation on a large scale, can come about only through the increase of individual capitals, only to the extent that the social means of production and subsistence are transformed into the private property of capitalists. The soil of commodity production can carry production on a large-scale only in capitalist form.

gische Anwendung der Wissenschaft vollzogen werden können.

Auf Grundlage der Warenproduktion, wo die Produktionsmittel Eigentum von Privatpersonen sind, wo der Handarbeiter daher entweder isoliert und selbständig Waren produziert oder seine Arbeitskraft als Ware verkauft, weil ihm die Mittel zum Selbstbetrieb fehlen, realisiert sich jene Voraussetzung nur durch das Wachstum der individuellen Kapitale oder im Maße, worin die gesellschaftlichen Produktions- und Lebensmittel in das Privateigentum von Kapitalisten verwandelt werden. Der Boden der Warenproduktion kann die Produktion auf großer Stufenleiter nur in kapitalistischer Form tragen.

↑ This last sentence repeats something Marx had already remarked in 486:1: if the starting point is commodity production, then co-operation can only come about in capitalist form.

Question 869 (*Tue Dec 7–Thu Dec 9*) Why can the soil of commodity production carry production on a large-scale only in capitalist form, as Marx says in 775:1/o? (Also define better the “soil” which commodity production provides for the growth of large-scale production.)
2009fa, 2008fa, 2007SP, 2005fa, 2004fa, 2003fa, 2002fa, 2001fa, 2000fa, 1999SP, 1998WI.

But capitalism is special also in another respect. Under capitalism, the link between accumulation and productive powers of labor is not a one-way street. There is also a reaction accelerating accumulation: higher productive powers lead to faster accumulation. But before entering into this argument called here step (1c), Marx makes it clear that it is *only* a reaction, i.e., accumulation must come first. Since co-operative production cannot come about without the accumulation of capital, some kind of accumulation, which is not necessarily a capitalist accumulation, must come first. I will call this step in the argument (1c.1)

A certain accumulation of capital in the hands of individual producers is therefore a pre-condition for the specifically capitalist mode of production. We had therefore to presuppose this when dealing with the transition from handicrafts to capitalist industry. It may be called original accumulation, because it is the historical basis, instead of the historical result, of the specifically capitalist production. How it itself comes about we need not investigate as yet. Enough, it

Eine gewisse Akkumulation von Kapital in den Händen individueller Warenproduzenten bildet daher die Voraussetzung der spezifisch kapitalistischen Produktionsweise. Wir müssten sie deshalb unterstellen bei dem Übergang aus dem Handwerk in den kapitalistischen Betrieb. Sie mag die ursprüngliche Akkumulation heißen, weil sie statt historisches Resultat historische Grundlage der spezifisch kapitalistischen Produktion ist. Wie sie selbst entspringt, brauchen wir

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constitutes the starting-point.

↑ This same argument is repeated at the beginning of chapter Twenty-Six, 873:1.

(1c.2) The next two sentences develop the other side, that, once capitalism has been established through this process of original accumulation, higher productive powers of labor lead to increases in surplus-value and therefore accelerate accumulation.

But all methods for raising the social productive powers of labor that grow up on this basis are at the same time methods for the increased production of surplus-value or surplus product, which is in its turn the formative element of accumulation. They are, therefore, also methods for the production of capital by capital, or methods for its accelerated accumulation.

(1c.3) And this accumulation, in turn, accelerates technical progress.

The continual re-conversion of surplus-value into capital now appears in the shape of the increasing magnitude of the capital that enters into the production process. This is in turn the basis of an extended scale of production, of the methods for raising the productive powers of labor that accompany it, and of an accelerated production of surplus-value.

The next two sentences put steps (1c.1), (1c.2), and (1c.3) together, to get an accelerated development of both accumulation and technical progress:

While, therefore, a certain degree of accumulation of capital appears as a precondition for the specifically capitalist mode of production, the latter, in reaction, causes an accelerated accumulation of capital. With the accumulation of capital, therefore, the specifically capitalist mode of production develops, and, with the capitalist mode of production, the accumulation of capital.

hier noch nicht zu untersuchen. Genug, sie bildet den Ausgangspunkt.

Aber alle Methoden zur Steigerung der gesellschaftlichen Produktivkraft der Arbeit, die auf dieser Grundlage erwachsen, sind zugleich Methoden der gesteigerten Produktion des Mehrwerts oder Mehrprodukts, welches seinerseits das Bildungselement der Akkumulation. Sie sind also zugleich Methoden der Produktion von Kapital durch Kapital oder Methoden seiner beschleunigten Akkumulation.

Die kontinuierliche Rückverwandlung von Mehrwert in Kapital stellt sich dar als wachsende Größe des in den Produktionsprozeß eingehenden Kapitals. Diese wird ihrerseits Grundlage einer erweiterten Stufenleiter der Produktion, der sie begleitenden Methoden zur Steigerung der Produktivkraft der Arbeit und beschleunigter Produktion von Mehrwert.

Wenn also ein gewisser Grad der Kapitalakkumulation als Bedingung der spezifisch kapitalistischen Produktionsweise erscheint, verursacht die letztere rückschlagend eine beschleunigte Akkumulation des Kapitals. Mit der Akkumulation des Kapitals entwickelt sich daher die spezifisch kapitalistische Produktionsweise und mit der spezifisch kapitalistischen Produktionsweise die Akkumulation des Kapitals.

Question 871 (Tue Dec 7–Thu Dec 9) *Accumulation increases productive powers of labor and higher productive powers of labor increase accumulation. One might think that accumulation of capital and the productive powers of labor go together really well—or is there a hair in the soup, i.e., are there ways in which technical progress also obstructs capital accumulation? 2009fa, 2007SP, 2005fa, 2004fa, 2003fa, 2002fa, 2001fa, 1999SP, 1997WI.*

Finally, Marx combines this with step (2) which was argued earlier:

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These two economic factors bring about, in the compound ratio of the impulses they give to each other, that change in the technical composition of capital by which the variable component becomes smaller and smaller as compared with the constant component.

Diese beiden ökonomischen Faktoren erzeugen, nach dem zusammengesetzten Verhältnis des Anstoßes, den sie sich gegenseitig erteilen, den Wechsel in der technischen Zusammensetzung des Kapitals, durch welchen der variable Bestandteil immer kleiner und kleiner wird, verglichen mit dem konstanten.

25.2.c. [Repulsion and Attraction of Individual Capitals]

There is still one step missing in the argument, namely a precise reasoning of link (1a), from accumulation to mass production. Accumulation is the reproduction of the capital relation on an extended scale, i.e., the reconversion of surplus-value into capital. Does this lead to bigger firms? In the discussion of the laws of capital in general, which is the level of abstraction of most of *Capital I*, the question is not asked whether this growth of capital takes the form of growth of individual firms or birth of new firms. But for the problematic at hand we have to step down to the level of individual firms, since establishment size matters for technical progress. Technical progress is developed in individual firms, and larger-scale co-operative production can only take place in larger firms. Therefore it is necessary to look at accumulation at the level of individual capitals. Right at the beginning Marx states the result of this inquiry: accumulation means indeed a greater concentration of means of production in the hands of individual capitalists:

776:1/o Every individual capital is a larger or smaller concentration of means of production, with a corresponding command over a larger or smaller army of workers.

653:1/o Jedes individuelle Kapital ist eine größere oder kleinere Konzentration von Produktionsmitteln mit entsprechendem Kommando über eine größere oder kleinere Arbeiterarmee.

↓ Since every accumulation already accomplished furthers new accumulation, accumulation not only increases the overall amount of wealth functioning as capital but also leads to bigger firms in this process:

Every accumulation becomes the means of new accumulation. With the increasing mass of wealth which functions as capital, accumulation increases the concentration of that wealth in the hands of individual capitalists, and thereby widens the basis of production on a large scale and extends the specifically capitalist methods of production.

Jede Akkumulation wird das Mittel neuer Akkumulation. Sie erweitert mit der vermehrten Masse des als Kapital funktionierenden Reichtums seine Konzentration in den Händen individueller Kapitalisten, daher die Grundlage der Produktion auf großer Stufenleiter und der spezifisch kapitalistischen Produktionsmethoden.

The “normal” course of events implied by the private ownership of capital is that the existing individual capitals invest their profits into themselves, therefore each capital grows at the same growth rate as the total capital. This is what Marx calls the *concentration* of capital.

The growth of the social capital is accomplished through the growth of many individual capitals. All other circumstances remaining the same, the individual capitals

Das Wachstum des gesellschaftlichen Kapitals vollzieht sich im Wachstum vieler individuellen Kapitale. Alle andren Umstände als gleichbleibend vorausgesetzt, wach-

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grow, and with their growth the concentration of the means of production increases, in the proportion in which they form aliquot parts of the total social capital.

↑ I.e., capital which represents 1/20 of total capital will grow 5 times as much as capital which represents 1/100 of total capital. A simpler way of saying this would be: the proportional growth *rate* of individual capitals is the same as that of the total capital.

↓ This concentration is thwarted (sic in 776:1/o) by the separation of new capitals from the old ones or formation of new capitals through inheritance etc. This repulsion of individual capitals is the negation of concentration.

At the same time offshoots split off from the original capitals and start to function as new and independent capitals. Apart from other causes, the division of property within capitalist families plays a great part in this. With the accumulation of capital, therefore, the number of capitalists grows to a greater or lesser extent.

↓ The concentration of capital has limits, and the separation of the individual capitals exacerbates these limits. The limits are that the speed of concentration is limited by the general growth rate of the economy. (This discussion of limits here is reminiscent of the discussion of defects of the forms of value in 154:2 and elsewhere.)

Two features characterize this kind of concentration, which grows directly out of accumulation, or rather is identical with it. Firstly: the increasing concentration of the social means of production in the hands of individual capitalists is, other things remaining equal, limited by the degree of increase of social wealth. Secondly: the part of the social capital domiciled in each particular sphere of production is divided among many capitalists who confront each other as mutually independent and competitive commodity-producers. Therefore not only are accumulation and the concentration accompanying it scattered over many points, but the increase of each functioning capital is thwarted by the formation of new capitals and the subdivision of old. Accumulation, therefore, presents itself on the one hand as increasing concentration of the means of production, and of the command over labor, and on the other hand as repulsion of many individual capitals from one another.

sen die individuellen Kapitale, und mit ihnen die Konzentration der Produktionsmittel, im Verhältnis, worin sie aliquote Teile des gesellschaftlichen Gesamtkapitals bilden.

Zugleich reißen sich Ableger von den Originalkapitalen los und funktionieren als neue selbständige Kapitale. Eine große Rolle spielt dabei unter anderm die Teilung des Vermögens in Kapitalistenfamilien. Mit der Akkumulation des Kapitals wächst daher auch mehr oder minder die Anzahl der Kapitalisten.

Zwei Punkte charakterisieren diese Art Konzentration, welche unmittelbar auf der Akkumulation beruht oder vielmehr mit ihr identisch ist. Erstens: Die wachsende Konzentration der gesellschaftlichen Produktionsmittel in den Händen individueller Kapitalisten ist, unter sonst gleichbleibenden Umständen, beschränkt durch den Wachstumsgrad des gesellschaftlichen Reichtums. Zweitens: Der in jeder besondren Produktionssphäre ansässige Teil des gesellschaftlichen Kapitals ist verteilt unter viele Kapitalisten, welche einander als unabhängige und miteinander konkurrierende Warenproduzenten gegenüberstehen. Die Akkumulation und die sie begleitende Konzentration sind also nicht nur auf viele Punkte zersplittet, sondern das Wachstum der funktionierenden Kapitale ist durchkreuzt durch die Bildung neuer und die Spaltung alter Kapitale. Stellt sich die Akkumulation daher einerseits dar als wachsende Konzentration der Produktionsmittel und des Kommandos über Arbeit, so anderseits als Repulsion vieler individueller Kapitale voneinander.

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The French edition stresses at this point how limited this concentration based on accumulation is. But there is also a counterforce, called centralization. (This is the negation of the negation.)

777:1 This fragmentation of the total social capital into many individual capitals, or the repulsion of its fractions from each other, is counteracted by their attraction. The attraction of capitals no longer means the simple concentration of the means of production and the command over labor, which is identical with accumulation. It is concentration of capitals already formed, destruction of their individual independence, expropriation of capitalist by capitalist, transformation of many small into few large capitals. This process differs from the first one in this respect, that it only presupposes a change in the distribution of already available and already functioning capital. Its field of action is therefore not limited by the absolute growth of social wealth, or in other words by the absolute limits of accumulation. Capital grows to a huge mass in a single hand in one place, because it has been lost by many in another place. This is centralization proper, as distinct from accumulation and concentration.

654:1 Dieser Zersplitterung des gesellschaftlichen Gesamtkapitals in viele individuelle Kapitale oder der Repulsion seiner Bruchteile voneinander wirkt entgegen ihre Attraktion. Es ist dies nicht mehr einfache, mit der Akkumulation identische Konzentration von Produktionsmitteln und Kommando über Arbeit. Es ist Konzentration bereits gebildeter Kapitale, Aufhebung ihrer individuellen Selbständigkeit, Expropriation von Kapitalist durch Kapitalist, Verwandlung vieler kleineren in weniger größere Kapitale. Dieser Prozeß unterscheidet sich von dem ersten dadurch, daß er nur veränderte Verteilung der bereits vorhandenen und funktionierenden Kapitale voraussetzt, sein Spielraum also durch das absolute Wachstum des gesellschaftlichen Reichtums oder die absoluten Grenzen der Akkumulation nicht beschränkt ist. Das Kapital schwillt hier in einer Hand zu großen Massen, weil es dort in vielen Händen verlorengeht. Es ist die eigentliche Zentralisation im Unterschied zur Akkumulation und Konzentration.

This last sentence was in the 1st and 2nd editions: Es ist die

eigentliche Konzentration im Unterschied zur Akkumulation.

My source is [Mar69, p. 576].

Question 872 (Tue Dec 7–Thu Dec 9) *Describe the mechanisms of repulsion and attraction of individual capitals in the course of accumulation.* [2008fa](#), [2007fa](#), [2007SP](#), [2004fa](#), [2003fa](#), [2002fa](#).

Note “expropriation of capitalist by capitalist”! Capitalists not only expropriate workers, they also expropriate each other. This is also said at the end of footnote 88 below, which quotes *Misery of Philosophy*, and in chapter Thirty-Two, p. 929:1.

Marx does not develop the general mechanisms of this centralization (which would belong into the book about competition), but only briefly describes a few facts.

777:2/o The laws of this centralization of capitals, or of the attraction of capital by capital, cannot be developed here. A few brief factual indications must suffice.

↓ In competition, big capitals win because
The battle of competition is fought by the
cheapening of commodities. The cheapness

654:2/o Die Gesetze dieser Zentralisation der Kapitale oder der Attraktion von Kapital durch Kapital können hier nicht entwickelt werden. Kurze tatsächliche Andeutung genügt.

larger size makes them more efficient.
Der Konkurrenzkampf wird durch Verwöhlfeilierung der Waren geführt. Die Wohl-

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of commodities depends, all other circumstances remaining the same, on the productivity of labor, which depends in turn on the scale of production. Therefore the larger capitals beat the smaller.

↓ Furthermore, small capitals are squeezed themselves by the rising minimum size of capital.

It will further be remembered that, with the development of the capitalist mode of production, there is an increase in the minimum amount of individual capital necessary to carry on a business under its normal conditions. The smaller capitals, therefore, crowd into spheres of production which large-scale industry has taken control of only sporadically or incompletely. Here competition rages in direct proportion to the number, and in inverse proportion to the magnitude, of the rival capitals. It always ends in the ruin of many small capitalists, whose capitals partly pass into the hands of their conquerors, and partly vanish completely.

In the first and second editions, the first sentence of this paragraph reads: "Die Gesetze dieser

Konzentration der Kapitale...," and its last sentence reads: "Sie endet stets mit Untergang vieler

kleiner Kapitalisten und Übergang ihrer Kapitale in die Hand des Siegers."

Now Marx introduces *credit*:

Apart from this, an altogether new force comes into existence with the development of capitalist production: the credit system.

The passage which follows, from 'In its first stages' to 'movement towards centralization' (p. 780:3) was added by Engels to the fourth German edition, on the basis of the French translation of 1872. It is analytically less well structured than Marx's original version, which had been retained through the first three German editions. Here is Marx's original version from the first edition (afterwards I will bring the revised version):

Not only is this itself a new and mighty weapon in the battle of competition. By unseen threads it also draws the disposable money, scattered in larger or smaller masses over the surface of society, into the hands of individual or associated capitalists. It is the specific machine for the centralization of capitals.

↑ Credit helps the centralization in two ways. (1) It becomes a weapon in the competitive battles. (2) It allows the centralization of capital without reorganization of firms, by pooling investments from many sources.

feilheit der Waren hängt, *caeteris paribus*, von der Produktivität der Arbeit, diese aber von der Stufenleiter der Produktion ab. Die größeren Kapitale schlagen daher die kleineren.

into murderous competition amongst them-

Man erinnert sich ferner, daß mit der Entwicklung der kapitalistischen Produktionsweise der Minimalumfang des individuellen Kapitals wächst, das erheischt ist, um ein Geschäft unter seinen normalen Bedingungen zu betreiben. Die kleineren Kapitale drängen sich daher in Produktionssphären, deren sich die große Industrie nur noch sporadisch oder unvollkommen bemächtigt hat. Die Konkurrenz rast hier im direkten Verhältnis zur Anzahl und im umgekehrten Verhältnis zur Größe der rivalisierenden Kapitale. Sie endet stets mit Untergang vieler kleineren Kapitalisten, deren Kapitale teils in die Hand des Siegers übergehn, teils untergehn.

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↓ Another factor intensifying centralization is the development of productivity.

The centralization of capitals, or the process of their attraction, becomes more intense in proportion as the specifically capitalist mode of production develops along with accumulation.

This gives the transition of the next step in the argument: the reverse causality, from concentration to the development of productivity, is even stronger.

In its turn, centralization becomes one of the greatest levers of this development. It shortens and quickens the transformation of separate processes of production into processes socially combined and carried out on a large scale.

↓ Increasing concentration and centralization of capital not only increases the productivity in capitalist firms, but also conquers new non-capitalist branches or creates altogether new industries. I.e., it revolutionizes the entire mode of production.

The increasing bulk of individual masses of capital becomes the material basis of an uninterrupted revolution in the mode of production itself. The capitalist mode of production continually conquers branches of industry not yet wholly, or only sporadically or formally, subjugated by it. At the same time there grow up on its soil new branches of industry, which could not exist without it. Finally, in the branches of industry already carried on upon the capitalist basis, the productive powers of labor are made to ripen as in a hothouse.

↓ Now the implications of this for labor demand (it is still the same paragraph):

In all these cases, the number of workers falls in proportion to the mass of the means of production worked up by them. An ever increasing part of the capital is turned into means of production, an ever decreasing part into labor-power. The degree to which the means of production are means of employment for the workers lessens progressively as those means become more extensive, more concentrated, and technically more efficient. A steam plough is an incomparably more efficient means of production than an ordinary plough, but the capital-value laid out in it is an incomparably smaller means for employing men than if it were laid out in ordinary ploughs.

Die Konzentration der Kapitale, oder der Prozeß ihrer Attraktion, wird intensiver im Verhältnis, worin sich mit der Akkumulation die spezifisch kapitalistische Produktionsweise entwickelt.

Ihrerseits wird die Konzentration einer der großen Hebel jener Entwicklung. Sie verkürzt und beschleunigt die Verwandlung zersplitterter Produktionsprozesse in gesellschaftlich kombinierte und auf großer Stufenleiter ausgeführte.

Der wachsende Umfang der individuellen Kapitalmassen wird zur materiellen Basis einer beständigen Umwälzung der Produktionsweise selbst. Fortwährend erobert die kapitalistische Produktionsweise ihr noch gar nicht, oder nur sporadisch, oder nur formell unterworfen Arbeitszweige. Daneben erwachsen auf ihrem Boden neue, ihr von vornherein angehörige Arbeitszweige. Endlich wird in den bereits kapitalistisch betriebenen Arbeitszweigen die Produktivkraft der Arbeit treibhausmäßig gereift.

In allen diesen Fällen sinkt die Arbeiterzahl verhältnismäßig zur Masse der von ihr verarbeiteten Produktionsmittel. Ein stets größerer Teil des Kapitals wird in Produktionsmittel umgesetzt, ein stets kleinerer in Arbeitskraft. Mit dem Umfang, der Konzentration und der technischen Wirksamkeit der Produktionsmittel vermindert sich progressiv der Grad, worin sie Beschäftigungsmittel der Arbeiter sind. Ein Dampfpflug ist ein ungleich wirksameres Produktionsmittel als der gewöhnliche Pflug, aber der in ihm ausgelegte Kapitalwert ist ein ungleich geringeres Beschäftigungsmittel, als wenn er in gewöhnlichen Pflügen realisiert wäre.

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↓ Now another aspect of technical progress: not only the newly invested capital is more productive, but also the old capital is replaced by more productive capital.

At first, it is the mere adding of new capital to old which allows the objective conditions of the process of production to be extended and undergo technical transformations. But soon these changes of composition, and technical transformations, get a more or less complete grip on all the old capital that has reached the term of its period of reproduction and therefore has to be replaced. This metamorphosis of old capital is independent, to a certain extent, of the absolute growth of social capital, in the same way as is its centralization. But this centralization, which only redistributes the social capital already to hand, and melts a number of old capitals into one, works in its turn as a powerful agent in the metamorphosis of old capital.

Zunächst ist es gerade die Zufügung von neuem Kapital zum alten, welche die gegenständlichen Bedingungen des Produktionsprozesses auszuweiten und technisch umzuwälzen erlaubt. Bald aber ergreift die veränderte Zusammensetzung und technische Umgestaltung mehr oder minder alles alte Kapital, das seinen Reproduktionstermin erreicht hat und daher neu ersetzt wird. Diese Metamorphose des alten Kapitals ist vom absoluten Wachstum des gesellschaftlichen Kapitals zu gewissem Grad unabhängig, wie es die Konzentration ist. Letztre aber, welche vorhandnes gesellschaftliches Kapital nur anders verteilt und viele alte Kapitale in eins verschmilzt, wirkt wieder als mächtiges Agens in dieser Metamorphose des alten Kapitals.

Here Marx had originally written “concentration,” but “centralization” is the better

translation. In the earlier editions of *Capital*, the terminological distinction between concentration

and centralization had not yet been as sharp.

↑ This is the end of the passage which Engels replaced with a new text. After this, only one transitional paragraph 780:4/o, which summarizes the implications of all this for labor demand. The detailed development of the labor force under these circumstances is the topic of the next section.

Now let's look at Engels's revised version. Here about credit:

In its first stages, this system furtively creeps in as the humble assistant of accumulation, drawing into the hands of individual or associated capitalists by invisible threads the money resources, which lie scattered in larger or smaller amounts over the surface of society; but it soon becomes a new and terrible weapon in the battle of competition and is finally transformed into an enormous social mechanism for the centralization of capitals.

778:1/o Commensurately with the development of capitalist production and accumulation there also takes place a development of the two most powerful levers of centralization—competition and credit. At the same time the progress of accumulation increases the material amenable to central-

... das in seinen Anfängen verstohlen, als bescheidne Beihilfe der Akkumulation, sich einschleicht, durch unsichtbare Fäden die über die Oberfläche der Gesellschaft in größern oder kleinern Massen zersplitterten Geldmittel in die Hände individueller oder assoziierter Kapitalisten zieht, aber bald eine neue und furchtbare Waffe im Konkurrenzkampf wird und sich schließlich in einen ungeheuren sozialen Mechanismus zur Zentralisation der Kapitale verwandelt.

655:1/o Im Maß wie die kapitalistische Produktion und Akkumulation, im selben Maß entwickeln sich Konkurrenz und Kredit, die beiden mächtigsten Hebel der Zentralisation. Daneben vermehrt der Fortschritt der Akkumulation den zentralisierbaren Stoff, d.h. die Einzelkapitale, während

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ization, i.e. the individual capitals, while the expansion of capitalist production creates on the one hand, the social need, and on the other hand, the technical means for those immense industrial undertakings which require a previous centralization of capital for their accomplishment. Today therefore, the force of attraction which draws together individual capitals, and the tendency to centralization, are both stronger than ever before.

die Ausweitung der kapitalistischen Produktion, hier das gesellschaftliche Bedürfnis, dort die technischen Mittel jener gewaltigen industriellen Unternehmungen schafft, deren Durchführung an eine vorgängige Zentralisation des Kapitals gebunden ist. Heutzutage ist also die gegenseitige Attraktionskraft der Einzelkapitale und die Tendenz zur Zentralisation stärker als je zuvor.

Question 874 (*Tue Dec 7–Thu Dec 9*) *How do competition and credit help in the process of centralization?* [2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#).

Question 875 (*Tue Dec 7–Thu Dec 9*) *How does Marx's concept of competition differ from the neoclassical concept and from the “better mousetrap” ideology surrounding competition in modern US society?* [2008fa](#).

But if the relative extension and energy of the movement towards centralization is determined, to a certain degree, by the magnitude of capitalist wealth and the superiority of the economic mechanism already attained, the advance of centralization does not depend in any way on a positive growth in the magnitude of social capital. And this is what distinguishes centralization from concentration, the latter being only another name for reproduction on an extended scale. Centralization may result from a mere change in the distribution of already existing capitals, from a simple alteration in the quantitative grouping of the component parts of social capital. Capital can grow into powerful masses in a single hand in one place, because in other places it has been withdrawn from many individual hands. In any given branch of industry centralization would reach its extreme limit if all the individual capitals invested there were fused into a single capital.^{77b} In a given society this limit would be reached only when the entire social capital was united in the hands of either a single capitalist or a single capitalist company.

Wenn aber auch die relative Ausdehnung und Energie der zentralisierenden Bewegung in gewissem Grad bestimmt ist durch die schon erreichte Größe des kapitalistischen Reichtums und die Überlegenheit des ökonomischen Mechanismus, so hängt doch der Fortschritt der Zentralisation keineswegs ab von dem positiven Größenwachstum des gesellschaftlichen Kapitals. Und dies speziell unterscheidet die Zentralisation von der Konzentration, die nur ein anderer Ausdruck für die Reproduktion auf erweiterter Stufenleiter ist. Die Zentralisation kann erfolgen durch bloße veränderte Verteilung schon bestehender Kapitale, durch einfache Veränderung der quantitativen Gruppierung der Bestandteile des gesellschaftlichen Kapitals. Das Kapital kann hier zu gewaltigen Massen in einer Hand anwachsen, weil es dort vielen einzelnen Händen entzogen wird. In einem gegebenen Geschäftszweig hätte die Zentralisation ihre äußerste Grenze erreicht, wenn alle darin angelegten Kapitale zu einem Einzelkapital verschmolzen wären.^{77b} In einer gegebenen Gesellschaft wäre diese Grenze erreicht erst in dem Augenblick, wo das gesamte gesellschaftliche Kapital vereinigt wäre in

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der Hand, sei es eines einzelnen Kapitalisten, sei es einer einzigen Kapitalistengesellschaft.

Marx uses the word “concentration” in two meanings. Either as a surface category describing the empirical fact that capital comes in bigger and bigger chunks, or as an analytical term denoting one particular mechanism how this increase of individual capitals is accomplished, namely, by reinvestment of profits into the same firm, as opposed to centralization proper which combines already existing capitals. In the title of section 25.2, “concentration” is used in the former meaning. In the sentence in the above paragraph: “concentration is only another name for reproduction on an extended scale,” the latter meaning applies: this concentration mechanism is nothing but extended reproduction on the level of individual capitals.

779:1/o Centralization supplements the work of accumulation by enabling industrial capitalists to extend the scale of their operations. Whether this latter result is the consequence of accumulation or centralization, whether centralization is accomplished by the violent method of annexation—where certain capitals become such preponderant centres of attraction for others that they shatter the individual cohesion of the latter and then draw the separate fragments to themselves—or whether the fusion of a number of capitals already formed or in process of formation takes place by the smoother process of organizing joint-stock companies—the economic effect remains the same. Everywhere the increased scale of industrial establishments is the starting-point for a more comprehensive organization of the collective labor of many people, for a broader development of their material motive forces, i.e. for the progressive transformation of isolated processes of production, carried on by customary methods, into socially combined and scientifically arranged processes of production.

780:1 But accumulation, the gradual increase of capital by reproduction as it passes from the circular to the spiral form, is clearly a very slow procedure compared with centralization, which needs only to change the quantitative groupings of the constituent parts of social capital. The world would still be without railways if it had had to wait until accumulation had got a few in-

656:1 Die Zentralisation ergänzt das Werk der Akkumulation, indem sie die industriellen Kapitalisten instand setzt, die Stufenleiter ihrer Operationen auszudehnen. Sei dies letztre Resultat nun Folge der Akkumulation oder der Zentralisation; vollziehe sich die Zentralisation auf dem gewaltsamen Weg der Annexion—wo gewisse Kapitale so überwiegende Gravitationszentren für andre werden, daß sie deren individuelle Kohäsion brechen und dann die vereinzelten Bruchstücke an sich ziehn—oder geschehe die Verschmelzung einer Menge bereits gebildeter, resp. in der Bildung begriffner Kapitale vermittelst des glatteren Verfahrens der Bildung von Aktiengesellschaften—die ökonomische Wirkung bleibt dieselbe. Die gewachsne Ausdehnung der industriellen Etablissements bildet überall den Ausgangspunkt für eine umfassendere Organisation der Gesamtarbeit vieler, für eine breitere Entwicklung ihrer materiellen Triebkräfte, d.h. für die fortschreitende Umwandlung vereinzelter und gewohnheitsmäßig betriebener Produktionsprozesse in gesellschaftlich kombinierte und wissenschaftlich disponierte Produktionsprozesse.

656:2 Es ist aber klar, daß die Akkumulation, die allmähliche Vermehrung des Kapitals durch die aus der Kreisform in die Spirale übergehende Reproduktion ein gar langsames Verfahren ist, im Vergleich mit der Zentralisation, die nur die quantitative Gruppierung der integrierenden Teile des gesellschaftlichen Kapitals zu ändern braucht. Die Welt wäre noch ohne Eisen-

25.2. Relative Diminution of Variable Capital

dividual capitals far enough to be adequate for the construction of a railway. Centralization, however, accomplished this in the twinkling of an eye, by means of joint-stock companies. And while in this way centralization intensifies and accelerates the effects of accumulation, it simultaneously extends and speeds up those revolutions in the technical composition of capital which raise its constant portion at the expense of its variable portion, thus diminishing the relative demand for labor.

Reference to a spiral already in 727:1.

780:2 The masses of capital welded together overnight by centralization reproduce and multiply as the others do, only more rapidly, and they thereby become new and powerful levers of social accumulation. Therefore, when we speak of the progress of social accumulation, we tacitly include—these days—the effects of centralization.

The definition of accumulation is: adding surplus-value to already existing capital. But nowadays, this social process of accumulation is accompanied by the merging of already existing individual capitals into larger and larger units (centralization). This strengthens the effects of accumulation and therefore one does not usually distinguish the effects of accumulation from those of centralization but considers both to be effects of accumulation.

Question 876 (*Tue Dec 7–Thu Dec 9*) *What is the centralization of capital? Show how accumulation leads to centralization. Which effects of accumulation are enhanced by centralization?* 2009fa, 2008fa, 2007fa, 2007SP, 2005fa, 2004fa, 2003fa, 2002fa, 2001fa, 1999SP, 1998WI.

The next two paragraphs say that technical innovation is usually first implemented by new capitals, and then taken over by the existing capitals when the existing plant and equipment has to be renewed. The obvious implications which this has for the demand for labor give a convenient transition to section 25.3.

780:3 The additional capitals formed in the normal course of accumulation (see chapter 24, section 1) are the favorite vehicles for the exploitation of new inventions and discoveries, and of industrial improvements in general.

The reasons which require new capitals are also alive in existing capitals. Radical technical innovations do not always lead to the formation of new capitals but may lead to drastic

bahnens, hätte sie solange warten müssen, bis die Akkumulation einige Einzelkapitale dahin gebracht hätte, dem Bau einer Eisenbahn gewachsen zu sein. Die Zentralisation dagegen hat dies, vermittelst der Aktiengesellschaften, im Handumdrehn fertiggebracht. Und während die Zentralisation so die Wirkungen der Akkumulation steigert und beschleunigt, erweitert und beschleunigt sie gleichzeitig die Umwälzungen in der technischen Zusammensetzung des Kapitals, die dessen konstanten Teil vermehren auf Kosten seines variablen Teils und damit die relative Nachfrage nach Arbeit vermindern.

656:3/o Die durch die Zentralisation über Nacht zusammengeschweißten Kapitalmassen reproduzieren und vermehren sich wie die andren, nur rascher und werden damit zu neuen mächtigen Hebeln der gesellschaftlichen Akkumulation. Spricht man also vom Fortschritt der gesellschaftlichen Akkumulation, so sind darin—heutzutage—die Wirkungen der Zentralisation stillschweigend einbegriffen.

657:1 Die im Lauf der normalen Akkumulation gebildeten Zusatzkapitale (s. Kap. XXII, 1) dienen vorzugsweise als Vehikel zur Exploitation neuer Erfindungen und Entdeckungen, überhaupt industrieller Vollkommennungen.

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renovations of existing capitals, and to the repulsion of previously employed labor.

But eventually also the old capital reaches the point where it has to be renewed in all its aspects, where it sheds its skin and is re-born in a perfected technical shape, in which a smaller quantity of labor will suffice to set in motion a larger quantity of machinery and raw material. The absolute reduction in the demand for labor which necessarily follows from this is obviously so much the greater, the higher the degree to which the capitals undergoing this process of renewal are already massed together by virtue of the movement towards centralization.

This is where Engels's insert ends. The last paragraph makes the transition from the attraction and repulsion of capitals to the attraction and repulsion of laborers:

780:4/o On the one hand, therefore, the additional capital formed in the course of further accumulation attracts fewer and fewer workers in proportion to its magnitude. On the other hand, the old capital periodically reproduced with a new composition repels more and more of the workers formerly employed by it.

This will be discussed in the next section.

Aber auch das alte Kapital erreicht mit der Zeit den Moment seiner Erneuerung an Haupt und Gliedern, wo es sich häutet und ebenfalls wiedergeboren wird in der vervollkommenen technischen Gestalt, worin eine geringere Masse Arbeit genügte, eine größere Masse Maschinerie und Rohstoffe in Bewegung zu setzen. Die hieraus notwendig folgende absolute Abnahme der Nachfrage nach Arbeit wird selbstredend um so größer, je mehr die diesen Erneuerungsprozeß durchmachenden Kapitale bereits zu Massen angehäuft sind vermöge der zentralisierenden Bewegung.

657:2 Einerseits attrahiert also das im Fortgang der Akkumulation gebildete Zuschußkapital, verhältnismäßig zu seiner Größe, weniger und weniger Arbeiter. Andererseits repelliert das periodisch in neuer Zusammensetzung reproduzierte alte Kapital mehr und mehr früher von ihm beschäftigte Arbeiter.

25.3. Progressive Production of a Relative Surplus-Population or Industrial Reserve Army

Section 25.1 discussed accumulaton with constant composition of capital. 25.2 showed that sustained accumulation is accompanied by an increase in the composition of capital. The present section 25.3 shows that the combined effect of both kinds of accumulation is the creation of a relative surplus-population, and discusses also the reverse causality, the effect which the relative surplus-population has on the accumulation of capital. In section 25.4, the forms of existence of the relative surplus-population will be discussed.

We subdivide section 25.3 into four subsections. The first subsection describes how changes in organic composition outpace the accumulation of capital, which gives rise to a surplus population. The second subsection demonstrates the functionality of the surplus population for capital. The third shows how changes in the link between variable capital and labor supply increase the surplus population even more, and the fourth discusses the movement of wages.

25.3.a. [The Capitalist Population Law]

In the previous section, we have seen that the organic composition of capital increases with accumulation. Now a new point is added: the rise in the organic composition is *faster* than

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accumulation, which leads to a relative *surplus-population*. Marx gives several mechanisms which cause the increase of the organic composition to be faster than the accumulation of capital:

(1) Due to centralisation, i.e., the merging of individual capitals, the scale of production increases. The technical progress connected with such increases can take place even if the total mass of capital does not increase. (781:2/o.)

(2) Technical innovation in the additional capital forces also the original capital to innovate, which may result in an absolute loss of jobs. (Again 781:2/o)

(3) More and more industries are seized by increasing organic composition. (782:1–784:0)

(4) Intermediate pauses, in which accumulation takes place with constant composition of capital, become shorter. (781:2/o)

Additional arguments will be given in the passage called here section 25.3.c. All this can perhaps be summarized as follows: the technological fact that direct labor becomes less and less important as technology advances is used successfully by capital to keep labor at a disadvantage in the accumulation process of capital.

In this situation, in which the effect is faster than the cause, the empirical evidence is misleading: that what is really the effect seems to be the cause. See 781:2/o. This is yet another aspect how the capital relations mystify.

After this summary, let us turn to the paragraph-by-paragraph discussion of the text. ↓
The section begins with a summary of the preceding section:

781:1 The accumulation of capital, which originally appeared only as its quantitative extension, takes place, as we have seen, under a continuous qualitative change in the composition of capital. Its constant component increases more and more at the expense of its variable component.^{77c}

657:3 Die Akkumulation des Kapitals, welche ursprünglich nur als seine quantitative Erweiterung erschien, vollzieht sich, wie wir gesehn, in fortwährendem qualitativen Wechsel seiner Zusammensetzung, in beständiger Zunahme seines konstanten auf Kosten seines variablen Bestandteils^{77c}

Vollzieht sich (takes place) is one of Marx's words for how a higher

level tendency is carried out on the lower level.

The accumulation of capital, i.e., the amassing of more and more value in fewer and fewer hands, is a social necessity for capitalism. As the capitalists put into practice the drive inherent in capital to expand value quantitatively, they increase the scale of production, and the co-operation of their workers leads to more efficient production. This is an example of emergence. The general drive of capital is quantitative, but co-operation enables the individual capitalists to make qualitative changes. They are eager to introduce technical innovations that take advantage of economies of scale, because this helps them in their competition.

Now Marx introduced the thesis to be proved:

781:2/o The specifically capitalist mode of production, the development of the productive powers of labor which corresponds to it, and the change in the organic composition of capital which results from it—all these do not merely keep pace with the progress of accumulation, or growth of social wealth. They develop at a much quicker rate, because simple accumulation, or the

657:4/o Die spezifisch kapitalistische Produktionsweise, die ihr entsprechende Entwicklung der Produktivkraft der Arbeit, der dadurch verursachte Wechsel in der organischen Zusammensetzung des Kapitals halten nicht nur Schritt mit dem Fortschritt der Akkumulation oder dem Wachstum des gesellschaftlichen Reichtums. Sie schreiten ungleich schneller, weil die einfache Ak-

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absolute expansion of the total social capital, is accompanied by the centralization of its individual elements, and the change in the technical composition of the additional capital is accompanied by a similar change in the technical composition of the original capital.

kumulation oder die absolute Ausdehnung des Gesamtkapitals von der Zentralisation seiner individuellen Elemente, und die technische Umwälzung des Zusatzkapitals von technischer Umwälzung des Originalkapitals begleitet sind.

“Begleitet” implies a causal connection: the old capital does

not do it on its own but it has to do it because the new capital does it.

Fowkes’s “goes hand in hand” is too symmetric.

“Quicker rate” is a quantitative assertion. Therefore Marx is going to look at things quantitatively now. As in other situations, he does not bring formulas but typical math examples:

With the progress of accumulation, therefore, the proportion of constant to variable capital changes. If it was originally say 1:1, it now becomes successively 2:1, 3:1, 4:1, 5:1, 7:1, etc., so that as the capital grows, instead of 1/2 its total value, only 1/3, 1/4, 1/5, 1/6, 1/8 etc. is turned into labor-power, and, on the other hand, 2/3, 3/4, 4/5, 5/6, 7/8, into means of production.

Mit dem Fortgang der Akkumulation wandelt sich also das Verhältnis von konstantem zu variablem Kapitalteil, wenn ursprünglich 1:1, in 2:1, 3:1, 4:1, 5:1, 7:1 usw., so daß, wie das Kapital wächst, statt 1/2 seines Gesamtwerts progressiv nur 1/3, 1/4, 1/5, 1/6, 1/8 usw. in Arbeitskraft, dagegen 2/3, 3/4, 4/5, 5/6, 7/8 usw. in Produktionsmittel umgesetzt wird.

↑ In formulas this means $(c/v)' > 0$. Implications for labor demand:

Since the demand for labor is determined not by the extent of the total capital but by its variable constituent alone, that demand falls progressively with the growth of the total capital, instead of rising in proportion to it, as was previously assumed.

Da die Nachfrage nach Arbeit nicht durch den Umfang des Gesamtkapitals, sondern durch den seines variablen Bestandteils bestimmt ist, fällt sie also progressiv mit dem Wachstum des Gesamtkapitals, statt, wie vorhin unterstellt, verhältnismäßig mit ihm zu wachsen.

Perhaps Marx means by this that $v'/v < c'/c$, i.e., that the rate of growth of v is smaller than that of c . This is indeed mathematically equivalent to $(c/v)' > 0$. But Marx possibly means a stronger condition than that. Should we add $((c'/c) - (v'/v))' > 0$, i.e., the difference in growth rates between c and v is not only positive but also increases? Or perhaps Marx did not mean a concept that can be expressed in a fixed mathematical formula?

It falls relatively to the magnitude of the total capital, and at an accelerated rate, as this magnitude increases.

Sie fällt relativ zur Größe des Gesamtkapitals und in beschleunigter Progression mit dem Wachstum dieser Größe.

“It falls relatively to the magnitude of the total capital” means in formulas $(v/(c+v))' < 0$, which is again equivalent with the above two conditions $v'/v < c'/c$ and $(c/v)' > 0$. The clause “at an accelerated rate, as this magnitude increases” again seems to mean an additional mathematical condition. The last sentence of the paragraph will give what seems to be an alternative formulation of the same condition.

With the growth of the total capital, its variable constituent, the labor incorporated in it, does admittedly increase, but in a constantly diminishing proportion.

Mit dem Wachstum des Gesamtkapitals wächst zwar auch sein variabler Bestandteil, oder die ihm einverleibte Arbeitskraft, aber in beständig abnehmender Proportion.

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I.e., in addition to the above $(v/(c+v))' < 0$, Marx also postulates $v' > 0$. Next, Marx gives a new argument for the increase in organic composition:

The intermediate pauses in which accumulation works as simple extension of production on a given technical basis are shortened.

Die Zwischenpausen, worin die Akkumulation als bloße Erweiterung der Produktion auf gegebner technischer Grundlage wirkt, verkürzen sich.

↑ Higher productivity also entails a faster pace of change in productivity, more frequent innovations. ↓ The next sentence repeats an argument already brought in 505:2/o: since also the old capital increases its organic composition, the result may not merely be a slower growth of additional demand for labor, but even a decline in the overall labor demand.

It is not merely that an accelerated accumulation of the total capital, accelerated in a constantly growing progression, is needed to absorb an additional number of workers, or even, on account of the constant metamorphosis of old capital, to keep employed those already performing their functions.

Nicht nur wird eine in wachsender Progression beschleunigte Akkumulation des Gesamtkapitals erheischt, um eine zusätzliche Arbeiterzahl von gegebner Größe zu absorbieren oder selbst, wegen der beständigen Metamorphose des alten Kapitals, die bereits funktionierende zu beschäftigen.

But this is only a sideline in the next passage; the main idea is the self-reinforcing effect of accumulation:

This increasing accumulation and centralization also becomes in its turn a source of new changes in the composition of capital, or in other words of an accelerated diminution of the capital's variable component, as compared with its constant one.

Ihrerseits schlägt diese wachsende Akkumulation und Zentralisation selbst wieder um in eine Quelle neuer Wechsel der Zusammensetzung des Kapitals oder abermals beschleunigter Abnahme seines variablen Bestandteils, verglichen mit dem konstanten.

↓ All this *looks* as if the growth of the working population outpaced that of capital. In other words, it looks as if it was the laborers' own fault that they do not get high wages; they are too many.

This accelerated relative diminution of the variable component, which accompanies the accelerated increase of the total capital and moves more rapidly than this increase, seems to be just the opposite at the other pole, namely, an apparently absolute increase in the working population, an increase which always moves more rapidly than that of the variable capital or the means of employment.

Diese mit dem Wachstum des Gesamtkapitals beschleunigte und rascher als sein eigenes Wachstum beschleunigte relative Abnahme seines variablen Bestandteils scheint auf der andren Seite umgekehrt stets rascheres absolutes Wachstum der Arbeiterbevölkerung als das des variablen Kapitals oder ihrer Beschäftigungsmittel.

This illusion, that the effect seems the cause, was already addressed in ... This last sentence contains once more a formulation of the mathematical condition Marx was thinking of a few sentences earlier. At the beginning of footnote 79 to the next paragraph, 782:1–784:0, Marx calls this tendency the “law of the progressive diminution of the relative magnitude of the variable capital.”

Question 880 (Tue Dec 7–Thu Dec 9) Does the surplus-population arise from capital's inability to keep pace with the growth of the population? 2008fa, 2007fa, 2007SP, 2005fa, 1997sp.

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As opposed to this illusion, the accumulation of capital is in control.

But in fact it is capitalist accumulation itself that constantly produces, and produces indeed in direct relation with its own energy and extent, a relatively redundant working population, i.e. a population which is superfluous to capital's average requirements for its own valorization, and is therefore a surplus population.

This is the first time the word "relative surplus-population" is used. Marx calls it a *reserve army* only when he talks about its *function* as a reserve for sudden expansions in the next paragraph!

Die kapitalistische Akkumulation produziert vielmehr, und zwar im Verhältnis zu ihrer Energie und ihrem Umfang, beständig eine relative, d.h. für die mittleren Verwertungsbedürfnisse des Kapitals überschüssige, daher überflüssige oder Zuschuß-Arbeiterbevölkerung.

Question 881 (Tue Dec 7–Thu Dec 9) Why does the rise in the organic composition outpace the growth of capital? [2008fa](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#).

Question 882 (Tue Dec 7–Thu Dec 9) What does capital need this surplus-population for? (How come it produces exactly what it needs?) [2009fa](#), [2008fa](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [1999SP](#), [1998WI](#).

After a discussion of the aggregate numbers follows now a discussion of the industrial distribution of accumulation.

782:1–784:0 If we consider the total social capital, we can say that the movement of its accumulation sometimes causes periodic changes, and at other times its various aspects distribute themselves simultaneously over the different spheres of production. In some spheres a change in the composition of capital occurs without any increase in its absolute magnitude, as a consequence of pure centralization; in others the absolute growth of capital is connected with an absolute diminution in its variable component, or in other words, in the labor-power absorbed by it; in others again, capital continues to grow for a time on its existing technical basis, and attracts additional labor-power in proportion to its increase, while at other times it undergoes organic change and reduces its variable component; in all spheres, the increase of the variable part of the capital, and therefore of the number of workers employed by it, is always connected with violent fluctuations and the temporary production of a surplus population, whether this takes the more striking form of the extrusion of workers al-

658:1/oo Das gesellschaftliche Gesamtkapital betrachtet, ruft die Bewegung seiner Akkumulation bald periodischen Wechsel hervor, bald verteilen sich ihre Momente gleichzeitig über die verschiedenen Produktionssphären. In einigen Sphären findet Wechsel in der Zusammensetzung des Kapitals statt ohne Wachstum seiner absoluten Größe, infolge bloßer Zentralisation; in andren ist das absolute Wachstum des Kapitals mit absoluter Abnahme seines variablen Bestandteils oder der von ihm absorbierten Arbeitskraft verbunden; in andren wächst das Kapital bald auf seiner gegebenen technischen Grundlage fort und attrahiert zusätzliche Arbeitskraft im Verhältnis seines Wachstums, bald tritt organischer Wechsel ein und kontrahiert sich sein variabler Bestandteil; in allen Sphären ist das Wachstum des variablen Kapitalteils und daher der beschäftigten Arbeiterzahl stets verbunden mit heftigen Fluktuationen und vorübergehender Produktion von Übervölkerung, ob diese nun die auffallendere Form von Repulsion bereits beschäftigter Arbeiter annimmt

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ready employed, or the less evident, but not less real, form of a greater difficulty in absorbing the additional working population through its customary outlet channels.⁷⁸

"Infolge bloßer Zentralization:
The fourth German editions has
here 'concentration' instead of

oder die mehr unscheinbare, aber nicht minder wirksame, erschwerter Absorption der zusätzlichen Arbeiterbevölkerung in ihre gewohnten Abzugskanäle.⁷⁸

'centralization' (footnote to
Random House edition, p. 782,
and also in MEW, p. 658). To me,

"centralization" seems more
correct, this is what I am using.

This last sentence is important: the clogging of the customary fast-flowing outlet channels does not seem to be repulsion if one looks at one industry at a time, but it is repulsion of one looks at the totality.

We are not reproducing footnote 78, which gives data showing decline almost everywhere except spinning/weaving and coal mining.

In a long sentence, Marx emphasizes how a "broader and fuller stream of all the sources of wealth" facilitates the displacement of the workers by machinery:

With the size of the already functioning social capital and the rate of its increase, with the extension of the scale of production and of the mass of workers set in motion, with the development of the productive powers of their labor—with the broader and fuller stream of all the sources of wealth, also the degree intensifies to which the greater attraction of workers by capital is accompanied by their greater repulsion; the speed increases with which the organic composition of capital and in its technical form change, and the circle of industries expands which become involved, be it simultaneously, be it alternatively, in this change.

Mit der Größe des bereits funktionierenden Gesellschaftskapitals und dem Grad seines Wachstums, mit der Ausdehnung der Produktionsleiter und der Masse der in Bewegung gesetzten Arbeiter, mit der Entwicklung der Produktivkraft ihrer Arbeit, mit dem breiteren und volleren Strom aller Springquellen des Reichtums dehnt sich auch die Stufenleiter, worin größere Attraktion der Arbeiter durch das Kapital mit größerer Repulsion derselben verbunden ist, nimmt die Raschheit der Wechsel in der organischen Zusammensetzung des Kapitals und seiner technischen Form zu, und schwollt der Umkreis der Produktionsphären, die bald gleichzeitig, bald abwechselnd davon ergriffen werden.

Now Marx formulates the capitalist population law, emphasizing that the workers themselves are the ones who produce the means which make them superfluous:

With the accumulation of capital, which is their own production, the working population produce, to an increasing extent, the means that make them relatively superfluous.⁷⁹

Mit der durch sie selbst produzierten Akkumulation des Kapitals produziert die Arbeiterbevölkerung also in wachsendem Umfang die Mittel ihrer eignen relativen Überzähligmachung.⁷⁹

Footnote 79 gives some sources how the economists had perceived this law. The passage in brackets was added by Engels on the authority of changes made by Marx in the French edition:

⁷⁹ {The law of progressive diminution of the relative magnitude of variable capital, together with its effect on the situation of the class of wage-laborers is intuited rather than understood by some of the prominent economists of the clas-

⁷⁹ Das Gesetz der progressiven Abnahme der relativen Größe des variablen Kapitals, nebst seinen Wirkungen auf die Lage der Lohnarbeiterklasse, ist von einigen ausgezeichneten Ökonomen der klassischen Schule mehr geahnt als

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sical school. In this respect the greatest merit is due to John Barton although he, like all the others, mixes up constant with fixed capital, and variable with circulating capital. He says:} ‘The demand for labor 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 laborers 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 labor’ (John Barton, *Observations on the Circumstances which Influence the Condition of the Laboring Classes of Society*, London, 1817, pp. 16–17). ‘The same cause which may increase the net revenue of the country may at the same time render the population redundant, and deteriorate the condition of the laborer’ (Ricardo, op. cit., p. 469). With the increase of capital, ‘the demand’ (for labor) ‘will be in a diminishing ratio’ (*ibid.*, p. 480, n.). ‘The amount of capital devoted to the maintenance of labor 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 Political Economy*, London, 1833, p. 12). ‘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 laborer’ (Ramsay, op. cit., pp. 90–91).

begriffen worden. Das größte Verdienst hierin gebührt John Barton, obwohl er, wie alle anderen, das konstante Kapital mit dem fixen, das variable mit dem zirkulierenden zusammenwirft. Er sagt: „Die Nachfrage nach Arbeit hängt von der Vermehrung des zirkulierenden und nicht des fixen Kapitals ab. Wenn es stimmte, daß das Verhältnis zwischen diesen beiden Arten des Kapitals zu allen Zeiten und unter allen Umständen dasselbe ist, dann folgt allerdings daraus, daß die Anzahl der beschäftigten Arbeiter sich nach dem Reichtum des Staates richtet. Aber eine solche Behauptung hat nicht den Anschein von Wahrscheinlichkeit. In dem Maße, wie die Naturwissenschaften gepflegt werden und die Zivilisation sich ausbreitet, wächst das fixe Kapital im Verhältnis zum zirkulierenden immer mehr und mehr an. Die Summe des bei der Produktion eines Stückes britischen Musselins verwendeten fixen Kapitals ist wenigstens hundertmal, wahrscheinlich aber tausendmal größer als jene, die zur Erzeugung eines ähnlichen Stückes indischen Musselins verwendet wird. Und der Anteil des zirkulierenden Kapitals ist hundert- oder tausendmal kleiner... Wenn die Gesamtheit der jährlichen Ersparnisse dem fixen Kapital zugeschlagen würde, so würden sie sich nicht in einer erhöhten Nachfrage nach Arbeit auswirken.“ (John Barton, „*Observations on the Circumstances which Influence the Condition of the Labouring Classes of Society*“, Lond. 1817, p. 16, 17.) „Die gleiche Ursache, die die Nettorevenue des Landes anwachsen läßt, kann gleichzeitig einen Überfluß an Bevölkerung erzeugen und die Lage des Arbeiters verschlechtern.“ (Ricardo, l.c. p. 469.) Mit der Zunahme des Kapitals „wird die Nachfrage“ (nach Arbeit) „verhältnismäßig abnehmen“. (l.c. p. 40, Note.) „Der Betrag des Kapitals, der zur Erhaltung von Arbeit bestimmt ist, kann sich ändern, unabhängig von irgendwelchen Veränderungen im Gesamtbetrag des Kapitals ... Große Schwankungen im Ausmaß der Beschäftigung und große Not können häufiger werden in dem Maße, wie das Kapital selbst reichlicher wird.“ (Richard Jones, „*An Introductory Lecture on Pol. Econ.*“, Lond. 1833, p. 12.) „Nachfrage“ (nach Arbeit) „wird steigen ... nicht im Verhältnis zur Akkumulation des Gesamtkapitals ... Jede Vermehrung des zur Reproduktion bestimmten nationalen Kapitals wird deshalb im Laufe des gesellschaftlichen Fortschritts einen stets geringeren Einfluß auf die Lage des Arbei-

ters haben.“ (Ramsay, l.c. p. 90, 91.)

Now some concluding general remarks about laws of population:

This is a law of population peculiar to the capitalist mode of production; and in fact every particular historical mode of production has its own specific historically valid laws of population. An abstract law of population exists only for plants and animals (as long as man does not intervene historically).

Es ist dies ein der kapitalistischen Produktionsweise eigentümliches Populationsgesetz, wie in der Tat jede besondere historische Produktionsweise ihre besondren, historisch gültigen Populationsgesetze hat. Ein abstraktes Populationsgesetz existiert nur für Pflanze und Tier, soweit der Mensch nicht geschichtlich eingreift.

Exam Question 884 Why is the surplus-population created under capitalism called “relative”? [2009fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#), [1999SP](#).

25.3.b. [Surplus Population Functions as Reserve Army]

The surplus population is an effect of capitalism. But it is also one of its levers, even conditions, since it functions as a *reserve army*:

784:1/o A surplus population of workers is a necessary product of accumulation or of the development of wealth on a capitalist basis. However this surplus population also becomes, conversely, the lever of capitalist accumulation, and indeed a condition for the very existence of the capitalist mode of production. It constitutes a disposable industrial reserve army, which belongs to capital just as absolutely as if the latter had bred it at its own cost. It creates a mass of human material always ready for exploitation by capital, according to capital's own changing valorization requirements, independently of the limits of the actual population increase.

661:1 Wenn aber eine Surplusarbeiterpopulation notwendiges Produkt der Akkumulation oder der Entwicklung des Reichtums auf kapitalistischer Grundlage ist, wird diese Überbevölkerung umgekehrt zum Hebel der kapitalistischen Akkumulation, ja zu einer Existenzbedingung der kapitalistischen Produktionsweise. Sie bildet eine disponibile industrielle Reservearmee, die dem Kapital ganz so absolut gehört, als ob es sie auf seine eignen Kosten großgezüchtet hätte. Sie schafft für seine wechselnden Verwertungsbedürfnisse das stets bereite exploitable Menschenmaterial, unabhängig von den Schranken der wirklichen Bevölkerungszunahme.

Capital needs such a reserve army especially because capital accumulation can suddenly expand:

With accumulation, and the development of the productive powers of labor that accompanies it, capital's power of sudden expansion also grows; it grows, not merely because the elasticity of the capital already functioning increases, not merely because the absolute wealth of society expands (of which capital only forms an elastic part), not merely because credit, under every special stimulus, at once places an unusual part of this wealth at the disposal of production in the form of additional capital; it grows

Mit der Akkumulation und der sie begleitenden Entwicklung der Produktivkraft der Arbeit wächst die plötzliche Expansionskraft des Kapitals, nicht nur, weil die Elastizität des funktionierenden Kapitals wächst, und der absolute Reichtum, wovon das Kapital nur einen elastischen Teil bildet, nicht nur, weil der Kredit, unter jedem besonderen Reiz, im Umsehn ungewöhnlichen Teil dieses Reichtums der Produktion als Zusatzkapital zur Verfügung stellt. Die technischen Bedingungen des Produktionspro-

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also because the technical conditions of the production process themselves—machinery, means of transport, etc.—make it possible that surplus product is rapidly transformed on a large scale into additional means of production.

Marx gives two examples. One is rapid expansion of particular industries: The mass of social wealth, overflowing with the advance of accumulation and capable of being transformed into additional capital, thrusts itself frantically into old branches of production whose markets suddenly expand, or into newly formed branches, such as railways, etc., which now become necessary due to the development of the old branches.

This first example is not necessarily related to the business cycle. It may be inter-industry movements, which are not readily visible in the usual statistics. Such rapid adjustments would not be possible without the reserve army:

In all such cases, there must be the possibility of suddenly throwing great masses of men into the decisive areas without affecting the scale of production in other spheres. The surplus population supplies these masses.

Marx's second example is the business cycle. The path characteristically described by modern industry, which takes the form of a decennial cycle (interrupted by smaller oscillations) of periods of average activity, production at high pressure, crisis, and stagnation, depends on the constant formation, the greater or lesser absorption and the reconstitution of the industrial reserve army or surplus population.

The business cycle not only needs overpopulation, it also generates it:

In their turn, the varying phases of the industrial cycle recruit the surplus population, and become one of the most energetic agencies for its reproduction.

Now a more systematic development of the business cycle. Going back in history, the business cycle was not possible during the infancy of the capitalist mode of production:

785:1/o This peculiar cyclical path of modern industry, which occurs in no earlier period of human history, was also impossible when capitalist production was in its infancy. The composition of capital at that time underwent only very gradual changes. By and large, therefore, the proportional

zesses selbst, Maschinerie, Transportmittel usw. ermöglichen, auf größter Stufenleiter, die raschste Verwandlung von Mehrprodukt in zusätzliche Produktionsmittel.

Die mit dem Fortschritt der Akkumulation überschwellende und in Zusatzkapital verwandelbare Masse des gesellschaftlichen Reichtums drängt sich mit Frenesie in alte Produktionszweige, deren Markt sich plötzlich erweitert, oder in neu eröffnete, wie Eisenbahnen usw., deren Bedürfnis aus der Entwicklung der alten entspringt.

In allen solchen Fällen müssen große Menschenmassen plötzlich und ohne Abbruch der Produktionsleiter in andren Sphären auf die entscheidenden Punkte werfbar sein. Die Übervölkerung liefert sie.

Der charakteristische Lebenslauf der modernen Industrie, die Form eines durch kleinere Schwankungen unterbrochenen zehnjährigen Zyklus von Perioden mittlerer Lebendigkeit, Produktion unter Hochdruck, Krise und Stagnation, beruht auf der beständigen Bildung, größeren oder geringeren Absorption und Wiederbildung der industriellen Reservearmee oder Übervölkerung.

Ihrerseits rekrutieren die Wechselfälle des industriellen Zyklus die Übervölkerung und werden zu einem ihrer energischsten Reproduktionsagentien.

661:2/o Dieser eigentümliche Lebenslauf der modernen Industrie, der uns in keinem früheren Zeitalter der Menschheit begegnet, war auch in der Kindheitsperiode der kapitalistischen Produktion unmöglich. Die Zusammensetzung des Kapitals veränderte sich nur sehr allmählich. Seiner Akku-

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growth in the demand for labor has corresponded to the accumulation of capital. Even though the advance of accumulation was slow in comparison with the modern epoch, it came up against the natural bounds of the exploitable working population—bounds which could only be swept away by violent means, as we shall discuss later.

Marx writes here “bounds” instead of “limits” because limits are

intrinsic, while bounds are imposed from the outside. The

limits of the growth of the working population are bounds for capital.

Question 886 (*Tue Dec 7–Thu Dec 9*) *Which violent means did capital use in its infancy to sweep away the bounds imposed on its accumulation by the natural limits of the exploitable working population?* [2008fa](#), [2008SP](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#).

Dialectics of the business cycle: expansions produce contractions.

The expansion by fits and starts of the scale of production is the precondition for its equally sudden contraction; the latter again evokes the former, but the former is impossible without disposable human material, without an increase in the number of workers, which must occur independently of the absolute growth of the population.

↑ This can be cast in terms of Bhaskar’s four-step dialectic, which consists of four steps starting with an absence: Surplus-population ⇒ sudden expansions ⇒ sudden contractions ⇒ more surplus population. This is a regressive dialectic. It does not remove the original absence but ends up digging the hole deeper from which it started.

This increase is effected by the simple process that constantly ‘sets free’ a part of the working class; by methods which lessen the number of workers employed in proportion to the increased production. Modern industry’s whole form of motion therefore depends on the continuous transformation of a part of the working population into unemployed or semi-employed ‘hands’.

Next: the business cycle is rooted in industrial production, not in the credit sphere:
The superficiality of political economy shows itself among others in the fact that it views the expansion and contraction of credit as the cause of the periodic alternations in the industrial cycle, whereas it is a mere symptom of them.

Now periodicity, which makes it difficult to see what is the cause and what the effect:

mulation entsprach also im Ganzen verhältnismäßiges Wachstum der Arbeitsnachfrage. Langsam wie der Fortschritt seiner Akkumulation, verglichen mit der modernen Epoche, stieß er auf Naturschranken der exploitablen Arbeiterbevölkerung, welche nur durch später zu erwähnende Gewaltmittel wegräumbar waren.

Die plötzliche und ruckweise Expansion der Produktionsleiter ist die Voraussetzung ihrer plötzlichen Kontraktion; letztere ruft wieder die erstere hervor, aber die erstere ist unmöglich ohne disponibles Menschenmaterial, ohne eine vom absoluten Wachstum der Bevölkerung unabhängige Vermehrung von Arbeitern.

Sie wird geschaffen durch den einfachen Prozeß, der einen Teil der Arbeiter beständig „freisetzt“, durch Methoden, welche die Anzahl der beschäftigten Arbeiter im Verhältnis zur vermehrten Produktion vermindern. Die ganze Bewegungsform der modernen Industrie erwächst also aus der beständigen Verwandlung eines Teils der Arbeiterbevölkerung in unbeschäftigte oder halbbeschäftigte Hände.

Die Oberflächlichkeit der politischen Ökonomie zeigt sich u.a. darin, daß sie die Expansion und Kontraktion des Kredits, das bloße Symptom der Wechselperioden des industriellen Zyklus, zu deren Ursache macht.

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Just as the heavenly bodies always repeat a certain movement, once they have been flung into it, so also does social production, once it has been flung into this movement of alternate expansion and contraction. Effects become causes in their turn, and the various vicissitudes of the whole process, which always reproduces its own conditions, take on the form of periodicity.

The French edition has here an insert which reflects back to 785:1/o in order to show what processes were necessary before business cycles could start:

[But only after mechanical industry had struck root so deeply that it exerted a preponderant influence on the whole of national production; only after foreign trade began to predominate over internal trade, thanks to mechanical industry; only after the world market had successively annexed extensive areas of the New World, Asia and Australia; and finally, only after a sufficient number of industrial nations had entered the arena—only after all this had happened can one date the repeated self-perpetuating cycles, whose successive phases embrace years, and always culminate in a general crisis, which is the end of one cycle and the starting-point of another. Until now the duration of these cycles has been ten or eleven years, but there is no reason to consider this duration as constant. On the contrary, we ought to conclude, on the basis of the laws of capitalist production as we have just expounded them, that the duration is variable, and that the length of the cycles will gradually diminish.]

Now Marx discusses how the economists thought about business cycle and surplus-population. When this periodicity has once become consolidated, even political economy sees that the production of a relative surplus population—i.e. a population surplus in relation to capital's average requirements for valorization—is a necessary condition for modern industry.

First Merivale:

786:1/oo ‘Suppose,’ says H. Merivale,

Ganz wie Himmelskörper, einmal in eine bestimmte Bewegung geschleudert, dieselbe stets wiederholen, so die gesellschaftliche Produktion, sobald sie einmal in jene Bewegung wechselnder Expansion und Kontraktion geworfen ist. Wirkungen werden ihrerseits zu Ursachen und die Wechselseitigkeiten des ganzen Prozesses, der seine eigenen Bedingungen stets reproduziert, nehmen die Form der Periodizität an.

[Aber erst von der Zeit an, als die mechanische Industrie so tiefe Wurzeln geschlagen hatte, daß sie auf die ganze nationale Produktion einen überwiegenden Einfluß ausübt; als durch sie der Außenhandel dem Binnenhandel den Rang abzulaufen begann; als sich der Weltmarkt sukzessive ausgedehnter Gebiete in der neuen Welt, in Asien und in Australien bemächtigte; als schließlich die industriellen Nationen, die auf die Arena traten, zahlreich genug geworden waren—erst von dieser Zeit an dätierten jene sich stets wiedererzeugenden Zyklen, deren aufeinanderfolgende Phasen Jahre umfassen und die immer hinauslaufen auf eine allgemeine Krise, die Ende eines Zyklus und Ausgangspunkt eines neuen ist. Bis jetzt ist die periodische Dauer solcher Zyklen zehn oder elf Jahre, aber es gibt keinerlei Grund, diese Zahl als konstant zu betrachten. Im Gegenteil, aus den Gesetzen der kapitalistischen Produktion, wie wir sie eben entwickelt haben, muß man schließen, daß sie variabel ist und daß die Periode der Zyklen sich stufenweise verkürzen wird.]

Ist letztere einmal konsolidiert, so begreift selbst die politische Ökonomie die Produktion einer relativen, d.h. mit Bezug auf das mittlere Verwertungsbedürfnis des Kapitals überschüssigen Bevölkerung als Lebensbedingung der modernen Industrie.

662:1/o „Gesetzt,“ sagt H. Merivale, früher

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formerly Professor of Political Economy at Oxford, subsequently employed at the Colonial Office,

'suppose that, on the occasion of some 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 labor, 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 labor. 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 labor. 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.'⁸⁰

Footnote 80 is a reference to [Mer42, vol. 1, p. 146]. Next Malthus:

Even Malthus recognizes that a surplus population is necessary for modern industry, although he explains the surplus population, in his narrow fashion, by the excessive growth of the working population, instead of seeing that capital makes part of the working population relatively superfluous. He says:

'Prudential habits with regard to marriage, carried to a considerable extent among the laboring class of a country mainly depending upon manufactures and commerce, might injure it ... From the nature of a population, an increase of laborers 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 labor faster than the increase of population.'⁸¹

⁸¹ [Mal36, pp. 215, 319, 320] In this work Malthus finally discovers, with the help of Sis-

Professor der politischen Ökonomie zu Oxford, später Beamter des englischen Kolonialministeriums,

,gesetzt, bei Gelegenheit einer Krise raffe die Nation sich zu einer Kraftanstrengung auf, um durch Emigration einige 100 000 überflüssige Arme loszuwerden, was würde die Folge sein? Daß bei der ersten Wiederkehr de Arbeitsnachfrage ein Mangel vorhanden wäre. Wie rasch immer die Reproduktion von Menschen sein mag, sie braucht jedenfalls den Zwischenraum einer Generation zum Ersatz erwachsner Arbeiter. Nun hängen die Profite unsrer Fabrikanten hauptsächlich von der Macht ab, den günstigen Moment lebhafter Nachfrage zu exploitieren und sich so für die Periode der Erlahmung schadlos zu halten. Diese Macht ist ihnen nur gesichert durch Kommando über Maschinerie und Handarbeit. Sie müssen disponible Hände vorfinden; sie müssen fähig sein, die Aktivität ihrer Operationen wenn nötig höher zu spannen oder abzuspannen, je nach dem Stand des Markts, oder sie können platterdings nicht in der Hetzjagd der Konkurrenz das Übergewicht behaupten, auf das der Reichtum dieses Landes gegründet ist.“⁸⁰

663:1–2 Selbst Malthus erkennt in der Übervölkerung, die er, nach seiner bornierten Weise, aus absolutem Überwuchs der Arbeiterbevölkerung, nicht aus ihrer relativen Überzähligmachung deutet, eine Notwendigkeit der modernen Industrie. Er sagt:

,Weise Gewohnheiten in bezug auf die Ehe, wenn zu einer gewissen Höhe getrieben unter der Arbeiterklasse eines Landes, das hauptsächlich von Manufaktur und Handel abhängt, würden ihm schädlich sein... Der Natur der Bevölkerung gemäß kann ein Zuwachs von Arbeitern nicht zu Markt geliefert werden, infolge besonderer Nachfrage, bis nach Verlauf von 16 oder 18 Jahren, und die Verwandlung von Revenue in Kapital durch Ersparung kann sehr viel rascher Platz greifen; ein Land ist stets dem ausgesetzt, daß sein Arbeitsfonds rascher wächst als die Bevölkerung.⁸¹

⁸¹ [Mal36, pp. 215, 319, 320] In diesem Werk entdeckt Malthus endlich, vermittelst Sismondis,

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mondi, the beautiful trinity of capitalist production: over-production, over-population and over-consumption. Three very delicate monsters, indeed! Cf. F. Engels, *Outlines of a Critique of Political Economy*, [mecw3]437–440:1

Finally the “old maid” Harriet Martineau: After declaring that the constant production of a relative surplus population of workers is a necessity of capitalist accumulation, political economy very aptly adopts the shape of an old maid and puts into the mouth of her ideal capitalist the following words addressed to the ‘redundant’ workers who have been thrown onto the streets by their own creation of additional capital:

‘We manufacturers do what we can for you, whilst we are increasing that capital on which you must subsist, and you must do the rest by accommodating your numbers to the means of subsistence.’⁸²

Footnote 82 is a reference to [Mar37, p. 101]. Harriet Martineau’s fictional capitalist had the gall to make these statements directly to the ‘redundant’ workers, who had created this redundancy through their own labor. The dialectic that the worker’s dependence on capital is created by the workers’ own product creates here an explosive situation.

The concluding remarks of this passage, Subsection [25.3.b], tie into its opening remarks at the beginning of 784:1/o:

788:1 Capitalist production can by no means content itself with the quantity of disposable labor-power which the natural increase of population yields. It requires for its unrestricted activity an industrial reserve army that is independent of these natural bounds.

die schöne Dreieinigkeit der kapitalistischen Produktion: Überproduktion—Überpopulation—Überkonsumtion, three very delicate monsters, indeed! Vgl. F. Engels, „Umrisse zu einer Kritik der Nationalökonomie“, [mecw3]437–440:1.

664:1–2 Nachdem die politische Ökonomie so die beständige Produktion einer relativen Übergabe von Arbeitern für eine Notwendigkeit der kapitalistischen Akkumulation erklärt hat, legt sie, und zwar adäquat in der Figur einer alten Jungfer, dem „beau ideal“ ihres Kapitalisten folgende Worte an die durch ihre eigne Schöpfung von Zusatzkapital aufs Pflaster geworfenen „Überzählingen“ in den Mund:

„Wir Fabrikanten tun für euch, was wir können, indem wir das Kapital vermehren, von dem ihr subsistieren müßt; und ihr müßt das übrige tun, indem ihr eure Zahl den Subsistenzmitteln anpaßt.“⁸²

664:3 Der kapitalistischen Produktion genügt keineswegs das Quantum disponibler Arbeitskraft, welches der natürliche Zuwachs der Bevölkerung liefert. Sie bedarf zu ihrem freien Spiel einer von dieser Naturschranke unabhängigen industriellen Reservearmee.

It should be “natural bounds,” since nature (natural population

growth) imposes outside bounds on capital accumulation. Both

Moore-Aveling and Fowkes say incorrectly “natural limits.”

25.3.c. [Link between Variable Capital, Employment, and Labor Performed]

The amount of the variable capital advanced, the number of laborers hired, and the amount of labor performed are not necessarily proportional, and the tie between them becomes weaker as accumulation proceeds. As Marx summarizes it in 792:2/oo, there is a tendency to make the supply of labor independent of the supply of labor-power. Marx brings four different mechanisms acting in four different sites: economic motives of the capitalists, technology, reproduction of labor-power, and the labor market.

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788:2 We have so far assumed that the increase or diminution of the number of workers employed corresponds precisely to the increase or diminution of the variable capital.

The first mechanism is: capitalists are motivated to get more labor out of the same number of workers instead of hiring more workers, because hiring more workers requires higher outlays of constant capital than having the same number of workers working longer hours. Presumably Marx means here fixed capital, buildings and machinery. The more the production process is mechanized, the more relevant is this consideration.

788:3 But the number of workers under the command of capital may remain the same, or even fall, while the variable capital increases. This is the case if the individual worker provides more labor, and his wages thus increase, although the price of labor remains the same or even falls, only more slowly than the mass of labor rises. Increase of variable capital, in this case, becomes an index of more labor, but not of more workers employed. It is the absolute interest of every capitalist to extort a given quantity of labor out of a smaller rather than a greater number of workers, if the cost is about the same. If he has to hire more workers, the outlay of constant capital increases in proportion to the mass of labor set in motion; if he gets more labor out of the same number of workers, that increase is much smaller. The more extended the scale of production, the more decisive is this motive. Its force increases with the accumulation of capital.

↑ The workers who have to work longer are getting higher wages for this (and often they do consider this as a benefit). Through these higher wages the workers are able to capture part of the economic benefits of mechanisation for themselves.

Question 891 (Tue Dec 7–Thu Dec 9) Why does the capitalist have the motive to get the same labor-time out of a smaller number of workers? Which economic facts did Marx refer to, and which additional economic facts go in the same direction nowadays? [2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#), [1998WI](#).

There is also another mechanism, which is of a technological rather than economic nature. Or maybe one should say in this mechanism the economics is built into the production process, it is real subsumption rather than formal subsumption: Machinery controls the laborer better and organizes the labor process in such a way that it can be sped up. Because of the “invisible” technological nature of this coercion, the workers cannot capture any of the benefits for themselves, they are simply forced to work more without getting higher wages.

788:4 We have seen that the development of the capitalist mode of production,

664:4 Bisher wurde unterstellt, daß der Zu- oder Abnahme des variablen Kapitals genau die Zu- oder Abnahme der beschäftigten Arbeiterzahl entspricht.

664:5 Bei gleichbleibender oder selbst verminderter Zahl der von ihm kommandierten Arbeiter wächst jedoch das variable Kapital, wenn der individuelle Arbeiter mehr Arbeit liefert und daher sein Arbeitslohn wächst obgleich der Arbeitspreis gleich bleibt oder selbst sinkt, nur langsamer, als die Arbeitsmasse steigt. Der Zuwachs des variablen Kapitals wird dann Index von mehr Arbeit, aber nicht von mehr beschäftigten Arbeitern. Jeder Kapitalist hat das absolute Interesse, ein bestimmtes Arbeitsquantum aus kleinerer, statt ebenso wohlfeil oder selbst wohlfeiler aus größerer Arbeiterzahl auszupressen. In dem letzten Fall wächst die Auslage von konstantem Kapital verhältnismäßig zur Masse der in Fluß gesetzten Arbeit, im ersten Fall viel langsamer. Je größer die Stufenleiter der Produktion, desto entscheidender dies Motiv. Seine Wucht wächst mit der Akkumulation des Kapitals.

664:6/o Man hat gesehn, daß die Entwicklung der kapitalistischen Produktions-

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and of the productive powers of labor—which is at once the cause and the effect of accumulation—enables the capitalist, with the same outlay of variable capital, to set in motion more labor by greater exploitation (extensive or intensive) of each individual labor-power.

↓ A third mechanism allows labor to be obtained from labor-power that is less expensive. Skilled labor can be replaced by unskilled labor, men by women, adults by children:

We have further seen that the capitalist buys with the same capital a greater mass of labor-power, as he progressively replaces skilled workers by less skilled, mature labor-power by immature, male by female, that of adults by that of young persons or children.

Next paragraph gives a summary of all three effects so far.

788:5 On the one hand, therefore, with the progress of accumulation a larger variable capital sets more labor in motion without enlisting more workers; on the other, a variable capital of the same magnitude sets in motion more labor with the same mass of labor-power; and, finally, a greater number of inferior labor-powers is set in motion by the displacement of more skilled labor-powers.

This means, the relative surplus population is produced faster than the technical innovations alone would suggest. The outlay of variable capital is not a good indicator for the labor performed, and capital is able to appropriate more labor without drawing down the relative surplus-population.

Question 893 (Tue Dec 7–Thu Dec 9) Why does the link between variable capital, employment, and labor performed become weaker as accumulation proceeds? [2007SP](#).

Not only the relationship between variable capital and labor, but also that between the changes in productive power and the release of labor become more unfavorable for the worker:

789:1/o The production of a relative surplus population, or the setting free of workers, therefore proceeds even more rapidly than the technical transformation of the process of production that accompanies the advance of accumulation and is accelerated by it, and more rapidly than the corresponding diminution of the variable part of capital as compared with the constant.

weise und Produktivkraft der Arbeit—zugleich Ursache und Wirkung der Akkumulation—den Kapitalisten befähigt, mit derselben Auslage von variablem Kapital mehr Arbeit durch größere extensive oder intensive Exploitation der individuellen Arbeitskräfte flüssig zu machen.

Man hat ferner gesehn, daß er mit demselben Kapitalwert mehr Arbeitskräfte kauft, indem er progressiv geschicktere Arbeiter durch ungeschicktere, reife durch unreife, männliche durch weibliche, erwachsne Arbeitskraft durch jugendliche oder kindliche verdrängt.

665:1 Einerseits macht also, im Fortgang der Akkumulation, größeres variables Kapital mehr Arbeit flüssig, ohne mehr Arbeiter zu werben, anderseits macht variables Kapital von derselben Größe mehr Arbeit mit derselben Masse Arbeitskraft flüssig und endlich mehr niedere Arbeitskräfte durch Verdrängung höherer.

665:2/o Die Produktion einer relativen Übervölkerung oder die Freisetzung von Arbeitern geht daher noch rascher voran als die ohnehin mit dem Fortschritt der Akkumulation beschleunigte technische Umwälzung des Produktionsprozesses und die entsprechende proportionelle Abnahme des variablen Kapitalteils gegen den konstanten.

25.3. Industrial Reserve Army

There is an additional effect, which only kicks in after the other effects have already been successful at creating a relative surplus population: the threat of unemployment forces those who are employed to work harder, which puts still more workers on the street:

If the means of production, as they increase in extent and effective power, become to a lesser extent means for employing workers, this relation is itself in turn modified by the fact that in proportion as the productive powers of labor increase, capital increases its supply of labor more quickly than its demand for workers.

By “capital’s supply of labor” Marx means the over-work of the employed part of the working class swells the ranks of its reserve, while, conversely, the greater pressure that the reserve by its competition exerts on the employed workers forces them to submit to over-work and subjects them to the dictates of capital. The condemnation of one part of the working class to enforced idleness by the over-work of the other part, and vice versa, becomes a means of enriching the individual capitalists,⁸³ and accelerates at the same time the production of the industrial reserve army on a scale corresponding with the progress of social accumulation.

Footnote 83 documents the existence of overwork in the midst of unemployment.

⁸³ Even in the cotton famine of 1863, we find, in a pamphlet by the cotton-spinning operatives of Blackburn, fierce denunciations of over-work, which of course only affected adult male workers, as a result 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’, it goes on to say, ‘would ask if the practice of working overtime by a number of hands, is likely to create a good feeling between masters and servants. Those who are worked 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 are only asking what is right in requesting the masters generally to pursue a system of short hours,

Wenn die Produktionsmittel, wie sie an Umfang und Wirkungskraft zunehmen, in geringerem Grad Beschäftigungsmittel der Arbeiter werden, wird dies Verhältnis selbst wieder dadurch modifiziert, daß im Maß, wie die Produktivkraft der Arbeit wächst, das Kapital seine Zufuhr von Arbeit rascher steigert als seine Nachfrage nach Arbeitern.

the laborers replaced by machinery.

Die Überarbeit des beschäftigten Teils der Arbeiterklasse schwelt die Reihen ihrer Reserve, während umgekehrt der vermehrte Druck, den die letztere durch ihre Konkurrenz auf die erstere ausübt, diese zur Überarbeit und Unterwerfung unter die Diktate des Kapitals zwingt. Die Verdammung eines Teils der Arbeiterklasse zu erzwunginem Müßiggang durch Überarbeit des andren Teils und umgekehrt, wird Bereicherungsmittel des einzelnen Kapitalisten⁸³ und beschleunigt zugleich die Produktion der industriellen Reservearmee auf einem dem Fortschritt der gesellschaftlichen Akkumulation entsprechenden Maßstab.

⁸³ Selbst während der Baumwollnot von 1863 findet man in einem Pamphlet der Baumwollspinner von Blackburn heftige Denunziation gegen die Überarbeit, die kraft des Fabrikgesetzes natürlich nur erwachsne männliche Arbeiter traf. „Man verlangte in dieser Fabrik von den erwachsenen Arbeitern eine zwölf- bis dreizehnstündige Arbeit täglich, obwohl es Hunderte gibt, die zum Müßiggang gezwungen sind, aber gern einen Teil der Arbeitszeit arbeiten möchten, um ihre Familien erhalten zu können und ihre Arbeitsbrüder vor einem vorzeitigen Tode infolge Überarbeit zu bewahren.“ „Wir“, heißt es weiter, „möchten fragen, ob diese Praxis, Überzeit zu arbeiten, irgendwie erträgliche Verhältnisse zwischen Meistern und ‚Dienern‘ möglich macht. Die Opfer der Überarbeit fühlen die Unbill ebenso sehr als die dadurch zu erzwunginem Müßiggang Verdammten (condemned to forced idleness). In diesem Distrikt reicht das zu verrichtende Werk hin, um alle teilweise zu beschäftigen, würde die Ar-

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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 the Inspectors of Factories ... 31 October 1863, p. 8). The author of the Essay on Trade and Commerce grasps the effect of a relative surplus population on the employed workers with his usual unerring bourgeois instinct. 'Another cause of idleness in this kingdom is the want of a sufficient number of laboring hands ... Whenever from an extraordinary demand for manufactures, labor grows scarce, the laborers 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 the employer by idling a whole day together' (Essay, etc., pp. 27–8). Those fellows were actually asking for a wage-increase!

Now some interesting remarks about unproductive labor:

The importance of this element in the formation of the relative surplus population is shown by the example of England. Her technical means for the 'saving' of labor are colossal. Nevertheless, if tomorrow morning labor were universally to be reduced to a rational amount, and proportioned to the different sections of the working class according to age and sex, the available working population would be absolutely insufficient to carry on the nation's production on its present scale. The great majority of the now 'unproductive' workers would have to be turned into 'productive' ones.

beit billig verteilt. Wir verlangen nur ein Recht, indem wir die Meister auffordern, allgemein nur kurze Zeit zu arbeiten, wenigstens solange der jetzige Stand der Dinge währt, statt einen Teil zu überarbeiten, während der andre durch Arbeitsmangel gezwungen wird, von der Wohltätigkeit seine Existenz zu fristen.“ („Reports of Insp. of Fact., 31st Oct. 1863“ p. 8.)—Die Wirkung einer relativen Übervölkerung auf die beschäftigten Arbeiter begreift der Verfasser des „Essay on Trade and Commerce“ mit seinem gewohnten unfehlbaren Bourgeoisinstinkt. „Eine andre Ursache der Faulenzerei (idleness) in diesem Königreich ist der Mangel einer hinreichenden Anzahl arbeitender Hände. Sooft durch irgend eine ungewöhnliche Nachfrage für Fabrikate die Arbeitsmasse ungenügend wird, fühlen die Arbeiter ihre eigene Wichtigkeit und wollen sie ihren Meistern ebenfalls fühlbar machen; es ist erstaunlich; aber so depraviert ist die Gesinnung dieser Kerle, daß in solchen Fällen Gruppen von Arbeitern sich kombiniert haben, um ihre Meister dadurch in Verlegenheit zu setzen, daß sie einen ganzen Tag durch faulenzen.“ (Essay etc., p. 27, 28.) Die Kerle verlangten nämlich Lohnnerhöhung.

Wie wichtig dies Moment in der Bildung der relativen Übervölkerung, beweist z.B. England. Seine technischen Mittel zur „Ersparung“ von Arbeit sind kolossal. Dennoch, würde morgen allgemein die Arbeit auf ein rationelles Maß beschränkt und für die verschiedenen Schichten der Arbeiterklasse wieder entsprechend nach Alter und Geschlecht abgestuft, so wäre die vorhandne Arbeiterbevölkerung absolut unzureichend zur Fortführung der nationalen Produktion auf ihrer jetzigen Stufenleiter. Die große Mehrheit der jetzt „unproduktiven“ Arbeiter müßte in „produktive“ verwandelt werden.

25.3.d. [The Movement of Wages]

Whereas the *level* of wages is determined by the value of labor-power, its *changes* are determined by demand and supply. Note that modern mathematical economics is unable to separate the forces determining the *level* of wages from those determining the *changes* in wages. If the changes of wages are known at every point in time, the solution of a simple differential equation gives the levels. In other words, in the mathematics of continuously differentiable functions, levels are reducible to changes. Marx's thinking is not constrained

by this mathematical theorem. Marx takes it for granted that the forces which determine the levels may be quite different from and are not necessarily reducible to the forces which determine the changes. Modern econometrics follows a similar logic as Marx when it attempts to separate levels from changes in cointegration or regression on a limited frequency band.

On order to understand the changes in wages, Marx first looks at the supply of labor, then the demand, and then the relationship between supply and demand. The *supply* is determined not by the absolute size of the working class, but by its composition, i.e., by the relationship between active workers and “reserve army.”

790:1/o Overall, the general movements of wages are exclusively regulated by expansion and contraction of the industrial reserve army, which in turn correspond to the periodic alternations of the industrial cycle. The movement of wages is not therefore determined by the variations of the absolute numbers of the working population, but by the varying proportions in which the working class is divided into an active army and a reserve army, by the increase or diminution in the relative amount of the surplus population, by the extent to which it is alternately absorbed and set free.

666:1/o Im großen und ganzen sind die allgemeinen Bewegungen des Arbeitslohns ausschließlich reguliert durch die Expansion und Kontraktion der industriellen Reservearmee, welche dem Periodenwechsel des industriellen Zyklus entsprechen. Sie sind also nicht bestimmt durch die Bewegung der absoluten Anzahl der Arbeiterbevölkerung, sondern durch das wechselnde Verhältnis, worin die Arbeiterklasse in aktive Armee und Reservearmee zerfällt, durch die Zunahme und Abnahme des relativen Umfangs der Übervölkerung, durch den Grad, worin sie bald absorbiert, bald wieder freigesetzt wird.

Question 894 (Tue Dec 7–Thu Dec 9) Marx writes in **790:1/o**: “The general movements of wages are exclusively regulated by expansion and contraction of the industrial reserve army.” Does this mean he has abandoned the labor theory of value?

↑ Marx assumes this is an empirical fact, this is how the surface relations play out. ↓ The first half of the next sentence alludes to the evidence he has in mind: the movement of wages over the business cycle. The rest of this over-long sentence is a polemic against those who believe wages are determined by levels of population instead of the composition of the population into active and reserve army:

For modern industry, with its decennial cycles and periodic phases, disturbed by irregular oscillations following each other more and more quickly as accumulation advances—it would be a beautiful law which would make the movement of capital dependent on the movement of the population, instead of regulating demand and supply of labor by the expansion and contraction of capital, i.e. by the level of capital’s valorization requirements at the moment, the labor-market sometimes appearing relatively under-supplied because capital is expanding, and sometimes relatively over-supplied because it is contracting.

Für die moderne Industrie mit ihrem zehnjährigen Zyklus und seinen periodischen Phasen, die außerdem im Fortgang der Akkumulation durch stets rascher aufeinander folgende unregelmäßige Oszillationen durchkreuzt werden, wäre es in der Tat ein schönes Gesetz, welches die Nachfrage und Zufuhr von Arbeit nicht durch die Expansion und Kontraktion des Kapitals, also nach seinen jedesmaligen Verwertungsbedürfnissen regelte, so daß der Arbeitsmarkt bald relativ untvoll erscheint weil das Kapital sich expandiert, bald wieder übervoll, weil es sich kontrahiert, sondern umgekehrt die Bewegung des Kapitals von der abso-

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luten Bewegung der Bevölkerungsmenge abhängig machte.

↑ Yes, this was only one sentence. During his polemic, Marx makes an important assertion: since wages depend on the composition of the working population instead of its absolute size, this means that wages are “regulated according to the valorization needs of capital.” This makes capital the independent force. By contrast, if wages were dependent on the absolute size of the working population, then the accumulation of capital would be subordinate to the growth of the population. The purported laws of population which make wages dependent on absolute population size are sarcastically called “beautiful” because these laws, despite their theoretical coherence and “beauty,” are utterly unable to explain the facts. In Marx’s mind the facts are obvious: capital accumulation is *not* subordinate to the growth of the population.

Question 896 (Tue Dec 7–Thu Dec 9) Marx says twice that the (Malthusian) law of population is a “beautiful” law. Why does he use the word “beautiful” here?

Now comes a closer description of the “iron law of wages,” a theory with which Marx does *not* agree, although he concedes that it has a true kernel.

Yet, according to the dogma of the economists, the movement of capital depends on the movement of the population. Wages rise as a result of the accumulation of capital. Higher wages stimulate the working population to more rapid multiplication, and this goes on until the labor-market becomes over-supplied, and hence capital becomes insufficient in relation to the supply of labor. Wages fall, and now we have the obverse side of the medal. The working population is, little by little, decimated by the fall in wages, so that capital is again in excess in relation to the workers, or, as others explain it, the fall in wages and the corresponding increase in the exploitation of the workers again accelerates accumulation, while, at the same time, the lower wages hold the growth of the working class in check. Then the time comes round again when the supply of labor is less than the demand, wages rise, and so on.

The mechanisms postulated in this law would be far too slow:

This would indeed be a beautiful form of motion for developed capitalist production! Before the rise in wages could produce any positive increase of that part of the population actually able to work, the deadline would long since have passed within which the industrial campaign would have to have

Dies jedoch ist das ökonomische Dogma. Nach demselben steigt infolge der Kapitalakkumulation der Arbeitslohn. Der erhöhte Arbeitslohn spornt zur rascheren Vermehrung der Arbeiterbevölkerung, und diese dauert fort, bis der Arbeitsmarkt überfüllt, also das Kapital relativ zur Arbeiterzufuhr unzureichend geworden ist. Der Arbeitslohn sinkt, und nun die Kehrseite der Medaille. Durch den fallenden Arbeitslohn wird die Arbeiterbevölkerung nach und nach dezimiert, so daß ihr gegenüber das Kapital wieder überschüssig wird, oder auch, wie andre es erklären, der fallende Arbeitslohn und die entsprechende erhöhte Exploitation des Arbeiters beschleunigt wieder die Akkumulation, während gleichzeitig der niedere Lohn das Wachstum der Arbeiterklasse in Schach hält. So tritt wieder das Verhältnis ein, worin die Arbeitszufuhr niedriger als die Arbeitsnachfrage, der Lohn steigt usw.

Eine schöne Bewegungsmethode dies für die entwickelte kapitalistische Produktion! Bevor infolge der Lohnerhöhung irgend ein positives Wachstum der wirklich arbeitsfähigen Bevölkerung eintreten könnte, wäre die Frist aber und abermal abgelaufen, worin der industrielle Feldzug geführt, die

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been carried through, and the battle fought to a conclusive finish.

Now Marx gives an example how absurd it would be to postulate such a law:

791:1 Between 1849 and 1859 a rise of wages which was in practice merely nominal, although it was accompanied by a fall in the price of corn, took place in the English agricultural districts. In Wiltshire, for example, the weekly wage rose from 7s. to 8s.; in Dorsetshire it rose from 7s. or 8s. to 9s., and so on. This was the result of an unusual exodus of the agricultural surplus population caused by wartime demands, and by the vast extension of railways, factories, mines etc. The lower the wage, the higher is the proportion in which even a very insignificant increase is expressed. If the weekly wage, for instance, is 20s. and it rises to 22s., that is a rise of 10 per cent; but if it is only 7s., and it rises to 9s., that is a rise of 28 4/7 per cent, which sounds very fine. Anyway, the farmers howled, and the London Economist, with reference to these starvation wages, prattled quite seriously of ‘a general and substantial advance’.⁸⁴ What did the farmers do now? Did they wait until the agricultural laborers had so increased and multiplied as a result of this splendid remuneration that their wages had to fall again, which is the way things are supposed to happen according to the dogmatic economic brain? No, they introduced more machinery, and in a moment the laborers were ‘redundant’ again to a degree satisfactory even to the farmers. There was now ‘more capital’ laid out in agriculture than before, and in a more productive form. With this the demand for labor fell, not only relatively, but absolutely.

⁸⁴ *Economist*, 21 January 1860.

The “war demand” refers to the Crimean War 1854–56.

Schlacht geschlagen und entschieden sein muß.

667:1/o Zwischen 1849 und 1859 trat, zugleich mit fallenden Getreidepreisen, eine praktisch betrachtet nur nominelle Lohnrhöhung in den englischen Agrikulturdistanzen ein, z.B. in Wiltshire stieg der Wochenlohn von 7 auf 8 sh., in Dorsetshire von 7 oder 8 auf 9 sh. usw. Es war dies Folge des übergewöhnlichen Abflusses der agrikolen Übervölkerung, verursacht durch Kriegsnachfrage, massenhafte Ausdehnung der Eisenbahnbaute, Fabriken, Bergwerke etc. Je niedriger der Arbeitslohn, desto höher drückt sich jedes noch so unbedeutende Steigen desselben in Prozentzahlen aus. Ist der Wochenlohn z.B. 20 sh. und steigt er auf 22, so um 10%; ist er dagegen nur 7 sh. und steigt auf 9, so um 28 4/7 %, was sehr erklecklich klingt. Jedenfalls heulton die Pächter und schwatzte sogar der „London Economist“⁸⁴ ganz ernsthaft von „a general and substantial advance“ mit Bezug auf diese Hungerlöhne. Was taten nun die Pächter? Warteten sie, bis die Landarbeiter sich infolge dieser brillanten Zahlung so vermehrt hatten, daß ihr Lohn wieder fallen mußte, wie die Sache sich im dogmatisch ökonomischen Hirn zuträgt? Sie führten mehr Maschinerie ein, und im Umsehn waren die Arbeiter wieder „überzählig“ in einem selbst den Pächtern genügenden Verhältnis. Es war jetzt „mehr Kapital“ in der Agrikultur angelegt als vorher und in einer produktiveren Form. Damit fiel die Nachfrage nach Arbeit nicht nur relativ, sondern absolut.

⁸⁴ „Economist“, Jan. 21, 1860.

Question 897 (Tue Dec 7–Thu Dec 9) *Describe the interaction between accumulation of capital and the wage level (under the assumption that the composition of capital remains constant). Why does Marx say that capital is the independent and wages the dependent variable? Show that this relation between accumulation and wages is the relation between the paid and unpaid labor of the same working population. 2007SP.*

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How can a theory survive which is so evidently wrong? Because this theory is not entirely a figment of the imagination. It does have a link to practical experience:

791:2/o The above economic fiction confuses the laws that regulate the general movement of wages, or the ratio between the working class—i.e. the total sum of labor-power—and the total social capital, with the laws that distribute the working population over the different spheres of production. If, for example owing to a favorable conjuncture, accumulation in a particular sphere of production becomes especially active, and profits in it, being greater than the average profits, attract additional capital, then of course the demand for labor rises, and wages rise as well. The higher wages draw a larger part of the working population into the more favored sphere until it is glutted with laborpower, and wages at length fall again to their average level or below it, if the pressure is too great. At that point the influx of workers into the branch of industry in question not only ceases, but gives place to an outflow of workers. Here the political economist thinks he can grasp the situation, he thinks he can see an absolute diminution of workers accompanying an increase of wages, and a diminution of wages accompanying an absolute increase of workers. But he really sees only the local oscillations of the labor-market in a particular sphere of production—he sees only the phenomena which accompany the distribution of the working population into the different spheres of outlay of capital, according to its varying needs.

668:1 Jene ökonomische Fiktion verwechselt die Gesetze, welche die allgemeine Bewegung des Arbeitslohns oder das Verhältnis zwischen Arbeiterklasse, d.h. Gesamtarbeitskraft und gesellschaftlichem Gesamtkapital regeln mit den Gesetzen, welche die Arbeiterbevölkerung unter die besondren Produktionssphären verteilen. Wenn z.B. infolge günstiger Konjunktur die Akkumulation in einer bestimmten Produktionssphäre besonders lebhaft, die Profite hier größer als die Durchschnittsprofite, Zuschußkapital dahin drängt, so steigt natürlich Arbeitsnachfrage und Arbeitslohn. Der höhere Arbeitslohn zieht einen größeren Teil der Arbeiterbevölkerung in die begünstigte Sphäre, bis sie mit Arbeitskraft gesättigt ist und der Lohn auf die Dauer wieder auf sein früheres Durchschnittsniveau oder unter dasselbe fällt, falls der Zudrang zu groß war. Dann hört nicht nur die Einwanderung von Arbeitern in den fraglichen Geschäftszweig auf, sie macht sogar ihrer Auswanderung Platz. Hier glaubt der politische Ökonom zu sehn, „wo und wie“ mit Zunahme des Lohns eine absolute Zunahme von Arbeitern, und mit der absoluten Zunahme der Arbeiter eine Abnahme des Lohns, aber er sieht in der Tat nur die lokale Oszillation des Arbeitsmarkts einer besondren Produktionssphäre, er sieht nur Phänomene der Verteilung der Arbeiterbevölkerung in die verschiedenen Anlagesphären des Kapitals, i.e. nach seinen wechselnden Bedürfnissen.

To conclude the discussion of the supply of labor, Marx re-states his own theory:

792:1 The industrial reserve army, during the periods of stagnation and average prosperity, weighs down the active army of workers; during the periods of over-production and feverish activity, it puts a curb on their pretensions. The relative surplus population is therefore the background against which the law of the demand and supply of labor does its work. It confines

668:2/oo Die industrielle Reservearmee drückt während der Perioden der Stagnation und mittleren Prosperität auf die aktive Arbeiterarmee und hält ihre Ansprüche während der Periode der Überproduktion und des Paroxysmus im Zaum. Die relative Übervölkerung ist also der Hintergrund, worauf das Gesetz der Nachfrage und Zufuhr von Arbeit sich bewegt. Sie zwängt

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the field of action of this law to the limits absolutely convenient to capital's drive to exploit and dominate the workers.

Next Marx discusses the *demand* for labor. He must argue here against the apologists who deny that technical progress eliminates jobs.

This is the place to return to one of the great exploits of economic apologetics. It will be remembered that if through the introduction of new machinery, or the extension of old, a portion of variable capital is transformed into constant capital, the economic apologist interprets this operation, which 'fixes' capital and by that very act 'sets free' workers, in exactly the opposite way, pretending that capital is thereby set free for the workers. Only now can one evaluate the true extent of the effrontery of these apologists. Not only are the workers directly turned out by the machines set free, but so are their future replacements in the rising generation, as well as the additional contingent which, with the usual extension of business on its old basis, would regularly be absorbed. They are now all 'set free' and every new bit of capital looking round for a function can take advantage of them. Whether it attracts them or others, the effect on the general demand for labor will be nil, if this capital is just sufficient to take out of the market as many workers as the machines threw into it. If it employs a smaller number, the number of 'redundant workers' increases; if it employs a greater, the general demand for labor increases only to the extent of the excess of the employed over those 'set free'. The impulse that additional capital seeking an outlet would otherwise have given to the general demand for labor is therefore in every case neutralized until the supply of workers thrown out of employment by the machine has been exhausted. That is to say, the mechanism of capitalist production takes care that the absolute increase of capital is not accompanied by a corresponding rise in the general demand for labor. And the apologist calls this a compensation for the misery, the suf-

den Spielraum dieses Gesetzes in die der Exploitationsgier und Herrschaftsucht des Kapitals absolut zusagenden Schranken ein.

668:2/oo Es ist hier der Ort, auf eine der Großtaten der ökonomischen Apologetik zurückzukommen. Man erinnert sich, daß, wenn durch Einführung neuer oder Ausdehnung alter Maschinerie ein Stück variables Kapital in konstantes verwandelt wird, der ökonomische Apologet diese Operation, welche Kapital „bindet“ und ebendadurch Arbeiter „freisetzt“, umgekehrt so deutet, daß sie Kapital für den Arbeiter freisetzt. Erst jetzt kann man die Unverschämtheit des Apologeten vollständig würdigen. Was freigesetzt wird, sind nicht nur die unmittelbar durch die Maschine verdrängten Arbeiter, sondern ebenso ihre Ersatzmannschaft und das, bei gewohnter Ausdehnung des Geschäfts auf seiner alten Basis, regelmäßig absorbierte Zuschußkontingent. Sie sind jetzt alle „freigesetzt“, und jedes neue funktionslustige Kapital kann über sie verfügen. Ob es sie oder andre attrahiert, die Wirkung auf die allgemeine Arbeitsnachfrage wird Null sein, solange dies Kapital gerade hinreicht, um den Markt von ebensoviel Arbeitern zu befreien, als die Maschinen auf ihn geworfen. Beschäftigt es eine geringere Zahl, so wächst die Menge der Überzähligen; beschäftigt es eine größere, so wächst die allgemeine Arbeitsnachfrage nur um den Überschuß der Beschäftigten über die „Freigesetzten“. Der Aufschwung, den Anlage suchende Zusatzkapitale sonst der allgemeinen Arbeitsnachfrage gegeben hätten, ist also in jedem Fall insoweit neutralisiert, wie die von der Maschine aufs Pflaster geworfenen Arbeiter reichen. D.h. also, der Mechanismus der kapitalistischen Produktion sorgt dafür, daß der absolute Zuwachs von Kapital von keiner entsprechenden Steigerung der allgemeinen Arbeitsnachfrage begleitet ist. Und dies nennt der Apologet eine Kompensation für das Elend, die Leiden

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ferings, the possible death of the displaced workers during the transitional period when they are banished into the industrial reserve army!

Now Marx discusses the *relationship* between demand and supply of labor. The consideration of the unity of demand and supply is another element of Marx's thought which is missing in modern mainstream thought. In the present theory it plays an important role: Marx will come to the conclusion that capital acts on both sides.

The demand for labor is not identical with increase of capital, nor is supply of labor identical with increase of the working class. Demand and supply do not interact with each other as independent forces. The dice are loaded. Capital acts on both sides at once. If its accumulation on the one hand increases the demand for labor, it increases on the other the supply of workers by 'setting them free', while at the same time the pressure of the unemployed compels those who are employed to furnish more labor, and therefore makes the supply of labor to a certain extent independent of the supply of laborers. The movement of the law of supply and demand of labor on this basis completes the despotism of capital.

und den möglichen Untergang der deportierten Arbeiter während der Übergangsperiode, welche sie in die industrielle Reservearmee bannt!

Die Nachfrage nach Arbeit ist nicht identisch mit Wachstum des Kapitals, die Zufuhr der Arbeit nicht mit dem Wachstum der Arbeiterklasse, so daß zwei voneinander unabhängige Potenzen aufeinander einwirken. Les dés sont pipés. Das Kapital agiert auf beiden Seiten zugleich. Wenn seine Akkumulation einerseits die Nachfrage nach Arbeit vermehrt, vermehrt sie andererseits die Zufuhr von Arbeitern durch deren „Freisetzung“, während zugleich der Druck der Unbeschäftigtten die Beschäftigten zur Flüssigmachung von mehr Arbeit zwingt, also in gewissem Grad die Arbeitszufuhr von der Zufuhr von Arbeitern unabhängig macht. Die Bewegung des Gesetzes der Nachfrage und Zufuhr von Arbeit auf dieser Basis vollendet die Despotie des Kapitals.

Question 898 (Tue Dec 7–Thu Dec 9) Marx describes two mechanisms by which capital acts on both sides. Sides of what? Which mechanisms? Can you think of a third mechanism which again has a similar effect? [2008SP](#), [2003fa](#), [1999SP](#), [1998WI](#).

Law of demand and supply of labor-power is biased in favor of capital: capital acts on both sides. The labor market does not give the workers a level playing-field, the more they work, the worse they are off. But as soon as workers try to defend themselves by organization, this law of demand and supply is proclaimed "sacred":

Thus as soon as the workers learn the secret of why it happens that the more they work, the more alien wealth they produce, and that the more the productive powers of their labor increase, the more does their very function as a means for the valorization of capital become precarious; as soon as they discover that the degree of intensity of the competition amongst themselves depends wholly on the pressure of the relative surplus population; as soon as, by setting up trade unions etc., they try to organize planned co-operation between the employed

Sobald daher die Arbeiter hinter das Geheimnis kommen, wie es angeht, daß im selben Maß, wie sie mehr arbeiten, mehr fremden Reichtum produzieren und die Produktivkraft ihrer Arbeit wächst, sogar ihre Funktion als Verwertungsmittel des Kapitals immer prekärer für sie wird; sobald sie entdecken, daß der Intensitätsgrad der Konkurrenz unter ihnen selbst ganz und gar von dem Druck der relativen Überbevölkerung abhängt; sobald sie daher durch Trade's Unions usw. eine planmäßige Zusammenwirkung zwischen den Beschäftigten und

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and the unemployed in order to obviate or to weaken the ruinous effects of this natural law of capitalist production on their class; so soon does capital and its sycophant, political economy, cry out at the infringement of the ‘eternal’ and so to speak ‘sacred’ law of supply and demand. Every combination between employed and unemployed disturbs the ‘pure’ action of this law.

Unbeschäftigte zu organisieren suchen, um die ruinierenden Folgen jenes Naturgesetzes der kapitalistischen Produktion auf ihre Klasse zu brechen oder zu schwächen, zertet das Kapital und sein Sykophant, der politische Ökonom, über Verletzung des „ewigen“ und sozusagen „heiligen“ Gesetzes der Nachfrage und Zufuhr. Jeder Zusammenhalt zwischen den Beschäftigten und Unbeschäftigte stört nämlich das „reine“ Spiel jenes Gesetzes.

This passage contains some direct proposals for organizing (for instance, that employed and unemployed workers should organize together) which follow from this theory. What Marx calls here a “natural law” of capitalist production is not something that comes from nature, but that is a necessity inscribed in the nature of capitalism.

Question 900 (*Tue Dec 7–Thu Dec 9*) *Which actions should the workers undertake in order to break the despotism of capital? (Also indicate which aspect of the theory calls for which action.)* [2008fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2002fa](#), [1998WI](#).

The next passage exposes the hypocrisy of the economists: the law of demand and supply is only “sacred” if it is convenient.

But on the other hand, as soon as (in the colonies, for example) adverse circumstances prevent the creation of an industrial reserve army, and with it the absolute dependence of the working class upon the capitalist class, capital, along with its plattitudinous Sancho Panza, rebels against the ‘sacred’ law of supply and demand, and tries to make up for its inadequacies by forcible means.

Marx discusses this in chapter Thirty-Three.

Sobald anderseits, in den Kolonien z.B., widrige Umstände die Schöpfung der industriellen Reservearmee und mit ihr die absolute Abhängigkeit der Arbeiterklasse von der Kapitalistenklasse verhindern, rebelliert das Kapital samt seinem gemeinplätzlichen Sancho Pansa, gegen das „heilige“ Gesetz der Nachfrage und Zufuhr und sucht ihm durch Zwangsmittel unter die Arme zu greifen.

Question 902 (*Tue Dec 7–Thu Dec 9*) *How can the accumulation of capital decrease instead of increase the demand for labor? How can a rise in unemployment increase the supply of labor instead of just changing the composition of the given supply?* [2009fa](#), [2007fa](#), [2004fa](#), [2003fa](#), [2001fa](#), [1999SP](#).

25.4. Different Forms of Existence of the Relative Surplus Population. The General Law of Capitalist Accumulation

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Existenzformen is in the Moore-Aveling translation just: forms. Marx qualifies it as “forms of existence” since he uses “form” without qualifier for the social forms of core relations. Sometimes Marx uses “Gestalt” synonymous to “forms of existence.”

The relative surplus population consists of all workers whose labor has been made superfluous by the accumulation of capital. Marx calls these workers “repelled” by the accumulation of capital. “Repelled” not in the sense of “disgusted” but in the sense of “rejected” or “not needed,” literally “pushed away.” They are unable to find jobs, they lose their jobs, or they must accept less desirable work, because of capital accumulation. But even if they are lucky enough still to be holding on to their jobs, they may still belong to the surplus population.

794:1 The relative surplus population exists in a variety of different nuances. Every worker belongs to it during the time when he is only partially employed or wholly unemployed. Leaving aside the large-scale and periodically recurring forms that the changing phases of the industrial cycle impress on it, so that it sometimes appears acute, in times of crisis, and sometimes chronic, in times when business is slack, we can identify three forms which it always possesses: the flowing, the latent, and the stagnant.

670:1 Die relative Übervölkerung existiert in allen möglichen Schattierungen. Jeder Arbeiter gehört ihr an während der Zeit, wo er halb oder gar nicht beschäftigt ist. Abgesehen von den großen, periodisch wiederkehrenden Formen, welche der Phasenwechsel des industriellen Zyklus ihr aufprägt, so daß sie bald akut in den Krisen erscheint, bald chronisch in den Zeiten flauen Geschäfts, besitzt sie fortwährend drei Formen: flüssige, latente und stockende.

The first paragraph is somewhat clearer in French than in German.

The above paragraph says three things about the surplus population:

- 1) Relative surplus-population exists in many different nuances.
- 2) The industrial cycle periodically imprints different characteristics (acute–chronic) on it. But this is not the subject of the present discussion.
- 3) Enduring through these cyclical changes, one can distinguish three permanent forms: flowing, latent, and stagnant. Marx does not give the definitions, only examples of these three categories. He probably thought the names, with their metaphor of water bodies, were self-explanatory. The flowing surplus population is readily re-absorbed again. The latent surplus population cannot be seen, like a stream of ground water, unless one creates a drainage channel. Regarding the stagnant surplus population, the German word for it does not mean entirely “stagnant,” but designates an intermittent, impeded, or backed-up flow.

The usual translation “floating” instead of “flowing” makes it impossible to make sense of this metaphor.

The *flowing surplus-population* is repelled here, attracted there, but overall the attraction is large enough that the passage through unemployment is always only temporary.

794:2 In the centres of modern industry—factories, workshops, ironworks, mines, etc.—the workers are sometimes repelled, sometimes attracted again in greater masses, so that the number of those employed increases on the whole, although in a con-

670:2 In den Zentren der modernen Industrie—Fabriken, Manufakturen, Hütten und Bergwerken usw.—werden Arbeiter bald repelliert, bald in größerem Umfang wieder attrahiert, so daß im großen und ganzen die Zahl der Beschäftigten zunimmt, wenn auch in

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stantly decreasing proportion to the scale of production. Here the surplus population exists in the flowing form.

The following example of flowing surplus population is specific to Marx's time and can no longer be found today:

794:3/o Both in the factories proper, and in the large workshops, where machinery enters as one factor, or even where no more than a division of labor of a modern type has been put into operation, large numbers of male workers are employed up to the age of maturity, but not beyond. Once they reach maturity, only a very small number continue to find employment in the same branches of industry, while the majority are regularly dismissed. This majority forms an element of the flowing surplus population, which grows with the extension of those branches of industry.

Marx classifies these workers as flowing surplus population because they are still young and capable workers who will not stay unemployed for long. Even the industry which dismisses them may hire them back in cyclical upswings. Some of them emigrate; this too attests to their initiative and desirability as workers:

Some of these workers emigrate; in fact they are merely following capital, which has itself emigrated. One of the consequences is that the female population grows more rapidly than the male—witness England.

The imbalance between men and women is the symptom of a more general contradiction which Marx addresses next: in some areas, the natural supply of labor exceeds the demand for labor, in others it cannot keep up with it. The flowing surplus population, which accompanies rising demand for labor, is itself a symptom of this contradiction, but Marx brings also more concrete examples:

That the natural increase of the number of workers does not satisfy the requirements of the accumulation of capital, and yet, at the same time, exceeds those requirements, is a contradiction inherent in capital's own movement. Capital demands more youthful workers, fewer adults. This contradiction is no more glaring than the other contradiction, namely that a shortage of 'hands' is complained of, while, at the same time, many thousands are out of work, because the division of labor chains them to a particular branch of industry.⁸⁵

stets abnehmendem Verhältnis zur Produktionsleiter. Die Übervölkerung existiert hier in fließender Form.

670:3–671:1 Sowohl in den eigentlichen Fabriken wie in allen großen Werkstätten, wo Maschinerie als Faktor eingeht oder auch nur die moderne Teilung der Arbeit durchgeführt ist, braucht man massenhaft männliche Arbeiter bis zur Zurücklegung des Jugendalters. Dieser Termin einmal erreicht, bleibt nur eine sehr geringe Anzahl in denselben Geschäftszweigen verwendbar, während die Mehrzahl regelmäßig entlassen wird. Sie bildet ein Element der fließenden Übervölkerung, das mit dem Umfang der Industrie wächst.

Ein Teil davon wandert aus und reist in der Tat nur dem auswandernden Kapital nach. Eine der Folgen ist, daß die weibliche Bevölkerung rascher wächst als die männliche, teste England.

Daß der natürliche Zuwachs der Arbeitermasse die Akkumulationsbedürfnisse des Kapitals nicht sättigt und sie dennoch zugleich überschreitet, ist ein Widerspruch seiner Bewegung selbst. Es braucht größere Massen Arbeiter im früheren Alter, geringere im männlichen. Der Widerspruch ist nicht schreiernder als der andre, daß über Mangel an Händen geklagt wird zur selben Zeit, wo viele Tausende auf dem Pflaster liegen, weil die Teilung der Arbeit sie an einen bestimmten Geschäftszweig kettet.⁸⁵

Footnote 85 gives a specific historical example of this other contradiction:

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⁸⁵ Although 80–90,000 people in London were thrown out of work during the last six months of 1866, the Factory Report says for that same half year: ‘It does not appear absolutely true to say that demand will always produce supply just at the moment when it is needed. It has not always done so with labor, for much machinery has been idle last year for want of hands’ (*Reports of the Inspectors of Factories, ... 31 October 1866*, p. 81).

The overwork of the young workers, their low life expectancy and early aging, exacerbates this first contradiction:

795:1 Moreover, the consumption of labor-power by capital is so rapid that the worker has already more or less completely lived himself out when he is only half-way through his life. He falls into the ranks of the surplus population, or is thrust down from a higher to a lower step in the scale. It is precisely among the workers in large-scale industry that we meet with the shortest life-expectancy.

Dr. Lee, Medical Officer of Health for Manchester, stated that the average age at death of the Manchester ... upper middle class was 38 years, while the average age at death of the laboring class was 17; while at Liverpool those figures were represented as 35 against 15. It thus appeared that the well-to-do classes had a lease of life which was more than double the value of that which fell to the lot of the less favored citizens.^{85a}

Next Marx describes the social forms which allow this portion of the population to increase despite their early deaths:

Under these circumstances, the absolute increase of this section of the proletariat calls for a form which swells their numbers, despite the rapid wastage of their individual elements. Hence, rapid replacement of one generation of workers by another (this law does not hold for the other classes of the population). This social requirement is met by early marriages, which are a necessary consequence of the conditions in which workers in large-scale industry live, and by the premium that the exploitation of the workers' children sets on their production

⁸⁵ Während im letzten Halbjahr von 1866 80 000 – 90 000 Arbeiter in London außer Arbeit geworfen wurden, heißt es im Fabrikbericht über dasselbe Halbjahr: „Es scheint nicht absolut richtig zu sein, wenn man sagt, daß Nachfrage stets grade in dem Augenblick Zufuhr hervorbringt, da es nötig ist. Auf Arbeit traf das nicht zu, denn viel Maschinerie mußte im letzten Jahre aus Mangel an Arbeitskräften stillstehen.“ („Report of Insp. of Fact. for 31st Oct. 1866“, p. 81.)

Der Konsum der Arbeitskraft durch das Kapital ist zudem so rasch, daß der Arbeiter von mittlerem Alter sich meist schon mehr oder minder überlebt hat. Er fällt in die Reihen der Überzähligen oder wird von einer höheren auf eine niedrigere Staffel hinabgedrängt. Gerade bei den Arbeitern der großen Industrie stoßen wir auf die kürzeste Lebensdauer.

Dr. Lee, der Gesundheitsbeamte von Manchester, hat festgestellt, daß in jener Stadt die mittlere Lebensdauer der wohlhabenden Klasse 38, die der Arbeiterklasse nur 17 Jahre ist. In Liverpool beträgt sie 35 Jahre für die erste, 15 für die zweite. Es folgt also daß die privilegierte Klasse eine Anweisung aufs Leben hat (have a lease of life) mehr als doppelt so groß als die ihrer weniger begünstigten Mitbürger.^{85a}

671:2 Unter diesen Umständen erheischt das absolute Wachstum dieser Fraktion des Proletariats eine Form, welche ihre Zahl schwelt, obgleich ihre Elemente sich schnell abnutzen. Also rasche Ablösung der Arbeitergenerationen. (Dasselbe Gesetz gilt nicht für die übrigen Klassen der Bevölkerung.) Dies gesellschaftliche Bedürfnis wird befriedigt durch frühe Ehen, notwendige Folge der Verhältnisse, worin die Arbeiter der großen Industrie leben, und durch die Prämie, welche die Exploitation der Arbeiterkinder auf ihre Produktion setzt.

Child labor, a product of the drive for maximum profits, has the unintended and for capital beneficial side effect of encouraging large families.

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The *latent surplus population* is like a stream of ground water: the water is not visible on the surface but it will collect as soon as one digs a ditch. Marx's main example is the agricultural workers. (Today, the main examples of the latent surplus population are immigrant workers, and married women staying at home but willing to take a job if they can find one.)

795:2 As soon as capitalist production takes possession of agriculture and in proportion to the extent to which it does so, the demand for a rural working population falls absolutely, while the accumulation of the capital employed in agriculture advances, without this repulsion being compensated for by a greater attraction of workers, as is the case in non-agricultural industries.

Since this surplus population is latent (hidden), one has to infer its existence from its effects. One of the effects of the latent surplus population in the rural areas is the flow of workers from the countryside to the cities:

Part of the agricultural population is therefore constantly on the point of passing over into an urban or manufacturing proletariat, and on the lookout for opportunities to complete this transformation. (The term 'manufacture' is used here to cover all non-agricultural industries.)⁸⁶ This is therefore a constantly flowing source of relative surplus population. But the constant movement towards the towns presupposes, in the countryside itself, a constant latent surplus population, the extent of which only becomes evident at those exceptional times when its outlet channels are wide open.

⁸⁶ 'The 781 towns' enumerated in the census of England and Wales for 1861 'contained 10,960,998 inhabitants, while the villages and country parishes contained 9,105,226. In 1851, 580 towns were distinguished, and the population in them and in the surrounding country was nearly equal. But while in the subsequent ten years the population in the villages and the country increased half a million, the population in the 580 towns increased by a million and a half (1,554,067). The increase of the population of the country parishes is 6.5 per cent, and of the towns 17.3 per cent. The difference in the rates of increase is due to the migration from country to town. Three-fourths of the total increase of population has taken place in the towns' (Census, etc., Vol. 3, pp. 11–12).

Another effect is the low agricultural wages:

671:3/o Sobald sich die kapitalistische Produktion der Agrikultur, oder im Grad, worin sie sich derselben bemächtigt hat, nimmt mit der Akkumulation des hier funktionierenden Kapitals die Nachfrage für die ländliche Arbeiterbevölkerung absolut ab, ohne daß ihre Repulsion, wie in der nicht agrikolen Industrie, durch größere Attraktion ergänzt wäre.

Ein Teil der Landbevölkerung befindet sich daher fortwährend auf dem Sprung, in städtisches oder Manufakturproletariat überzugehn, und in der Lauer auf dieser Verwandlung günstige Umstände. (Manufaktur hier im Sinn aller nichtagrikolen Industrie.)⁸⁶ Diese Quelle der relativen Übervölkerung fließt also beständig. Aber ihr beständiger Fluß nach den Städten setzt auf dem Lande selbst eine fortwährend latente Übervölkerung voraus, deren Umfang nur sichtbar wird, sobald sich die Abzugskanäle ausnahmsweise weit öffnen.

⁸⁶ „781 Städte“ sind aufgezählt im Zensus von 1861 für England und Wales „mit 10 960 998 Einwohnern, während die Dörfer und Landkirchspielen nur 9105 226 zählen ... Im Jahr 1851 figurierten 500 Städte im Zensus, deren Bevölkerung ungefähr gleich der Bevölkerung der sie umgebenden Landdistrikte war. Während aber in den letzteren die Bevölkerung während der folgenden 10 Jahre nur um eine halbe Million wuchs, wuchs sie in den 580 Städten um 1 554 067. Der Bevölkerungszuwachs in den Landkirchspielen ist 6,5%, in den Städten 17,3%. Der Unterschied in der Rate des Wachstums ist der Wanderung vom Land in die Stadt geschuldet. Drei Viertel des Gesamtwachstums der Bevölkerung gehört den Städten.“ („Census etc.“, v. III, p. 11, 12.)

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The wages of the agricultural laborer are therefore reduced to a minimum. He always stands with one foot in the swamp of pauperism.

Stagnant surplus population. They are likely to be older, or have low or outdated skills. They have very irregular employment, sometimes unemployed, or holding down part time jobs, etc.

796:1 The third category of the relative surplus population is the stagnant surplus population. Although part of the active labor army, it has extremely irregular employment. It offers capital an inexhaustible reservoir of disposable labor-power. Its conditions of life sink below the average normal level of the working class, and it is precisely this which makes it a broad target for specialized branches of capitalist exploitation. It is characterized by a maximum of working time and a minimum of wages. We have already become familiar with its chief form under the rubric of 'domestic industry'. It is constantly recruited from workers in large-scale industry and agriculture who have become redundant, and especially from those decaying branches of industry where handicraft is giving way to manufacture, and manufacture to machinery. Its extent grows in proportion as, with the growth in the extent and energy of accumulation, the creation of a surplus population also advances. But it forms at the same time a self-reproducing and self-perpetuating element of the working class, taking a proportionally greater part in the general increase of that class than the other elements. In fact, not only the number of births and deaths, but the absolute size of families, stands in inverse proportion to the level of wages, and therefore to the amount of the means of subsistence at the disposal of different categories of worker. This law of capitalist society would sound absurd among savages, or even among civilized colonists. It calls to mind the boundless reproduction of animals individually weak and constantly hunted down.⁸⁷

Der Landarbeiter wird daher auf das Minimum des Salairs herabgedrückt und steht mit einem Fuß stets im Sumpf des Pauperismus.

672:1 Die dritte Kategorie der relativen Übervölkerung, die stockende, bildet einen Teil der aktiven Arbeiterarmee, aber mit durchaus unregelmäßiger Beschäftigung. Sie bietet so dem Kapital einen unerschöpflichen Behälter disponibler Arbeitskraft. Ihre Lebenslage sinkt unter das durchschnittliche Normalniveau der arbeitenden Klasse, und grade dies macht sie zur breiten Grundlage eigner Exploitationszweige des Kapitals. Maximum der Arbeitszeit und Minimum des Salairs charakterisieren sie. Wir haben unter der Rubrik der Hausarbeit ihre Hauptgestalt bereits kennengelernt. Sie rekrutiert sich fortwährend aus den Überzähligen der großen Industrie und Agrikultur und namentlich auch aus untergehenden Industriezweigen, wo der Handwerksbetrieb dem Manufakturbetrieb, letzter dem Maschinenbetrieb erliegt. Ihr Umfang dehnt sich, wie mit Umfang und Energie der Akkumulation die „Überzähligmachung“ forschreitet. Aber sie bildet zugleich ein sich selbst reproduzierendes und verewigendes Element der Arbeiterklasse, das verhältnismäßig größeren Anteil am Gesamtwachstum derselben nimmt als die übrigen Elemente. In der Tat steht nicht nur die Masse der Geburten und Todesfälle, sondern die absolute Größe der Familien in umgekehrtem Verhältnis zur Höhe des Arbeitslohns, also zur Masse der Lebensmittel, worüber die verschiedenen Arbeiterkategorien verfügen. Dies Gesetz der kapitalistischen Gesellschaft klänge unsinnig unter Wilden oder selbst zivilisierten Kolonisten. Es erinnert an die massenhafte Reproduktion individuell schwacher und vielgehetzter Tierarten.⁸⁷

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⁸⁷ ‘Poverty seems favorable to generation’ (Adam Smith, [Smi39, vol. 1, ch. 8, p. 195]). Indeed, according to the gallant and witty Abbé Galiani, this is a specially wise arrangement made by God. ‘God has decreed that the men who carry on the most useful crafts should be born in abundant numbers’ [Gal03, p. 78]. ‘Misery up to the extreme point of famine and pestilence, instead of checking, tends to increase population’ (S. Laing, National Distress, 1844, p. 69). After Laing has illustrated this by statistics, he continues: ‘If the people were all in easy circumstances, the world would soon be depopulated.’

⁸⁷ „Armut scheint die Fortpflanzung zu begünstigen.“ (A. Smith, [Smi39, Bd. 1, Kap. 8, p. 195].) Dies ist sogar eine besonders weise Einrichtung Gottes nach dem galanten und geistreichen Abbé Galiani: „Gott hat es gefügt, daß die Menschen, die die nützlichsten Berufe ausüben, überreichlich geboren werden.“ [Gal03, p. 78] „Elend, bis zum äußersten Grad von Hungersnot und Pestilenz, vermehrt eher das Wachstum der Bevölkerung, statt es zu hemmen.“ (S. Laing, „National Distress“, 1844, p. 69.) Nachdem Laing dies statistisch illustriert, fährt er fort: „Befände sich alle Welt in bequemen Umständen, so wäre die Welt bald entvölkert.“ („If the people were all in easy circumstances, the world would soon be depopulated.“)

Question 906 (Tue Dec 7–Thu Dec 9) Which parts of the surplus population do these people belong to: A housewife looking for a job, someone employed part time (or with several part time jobs) looking for a full time job with benefits, high school graduates who don’t find jobs, someone unemployed actively looking for work, someone unemployed waiting until the unemployment compensation has run out, discouraged workers on welfare, someone who has a lower-paying job because her skills are outdated. [2008fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [2001fa](#).

Question 907 (Tue Dec 7–Thu Dec 9) Can the following modern categories be reconciled with Marx’s categories? structural unemployment, frictional unemployment, cyclical unemployment, discouraged workers, the dual labor market, age discrimination.

After these three forms of surplus population, Marx discusses a fourth form, pauperism. Pauperism is not the direct result of the repulsion of labor by capital, but the result of the result of this expulsion, i.e., the result of the existence of a surplus population. The accumulation of capital turns employed into unemployed workers, and unemployment (not accumulation) turns the unemployed into paupers. Marx distinguishes again between three forms of pauperism, plus one really bad one:

- Paupers capable of working, who manage to re-enter the active working army in times of extraordinary demand for labor;
- Orphans and children of paupers, who are the victims of a different indirect effect: capitalist accumulation kills or impoverishes the parents, and this also turns their children into paupers.
- Paupers incapable of working, crippled, ragged: they are not only repelled by capital but also disabled, often because they are no longer used.
- Criminals, prostitutes, etc. They can again be considered a separate social layer which is the result of the existence of pauperism.

797:2 The deepest fallout from the relative surplus population, finally, dwells

673:1 Der tiefste Niederschlag der relativen Übervölkerung endlich behaust die

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in the sphere of pauperism. Apart from vagabonds, criminals, prostitutes, in short the actual lumpenproletariat, this social stratum consists of three categories. First, those able to work. One need only glance superficially at the statistics of English pauperism to find that the quantity of paupers increases with every crisis of trade, and diminishes with every revival.

↑ This variation in numbers is proof that a part of the paupers turn into employed workers when labor demand is high.

Second, orphans and pauper children. These are candidates for the industrial reserve army, and in times of great prosperity, such as the year 1860 for instance, they are enrolled in the army of active workers both speedily and in large numbers. Third, the demoralized, the ragged, and those unable to work, chiefly people to whom the immobility caused by the division of labor has become fatal; people who have lived beyond the worker's average life-span; and the victims of industry, whose number increases with the growth of dangerous machinery, of mines, chemical works, etc., the mutilated, the sickly, the widows, etc. Pauperism is the infirmary of the active labor-army and the dead weight of the industrial reserve army. Its production is included in that of the relative surplus population, its necessity is implied by their necessity; along with the surplus population, pauperism forms a condition of capitalist production, and of the capitalist development of wealth. It forms part of the incidental expenses of capitalist production: but capital usually knows how to transfer these from its own shoulders to those of the working class and the petty bourgeoisie.

Sphäre des Pauperismus. Abgesehen von Vagabunden, Verbrechern, Prostituierten, kurz dem eigentlichen Lumpenproletariat, besteht diese Gesellschaftsschicht aus drei Kategorien. Erstens Arbeitsfähige. Man braucht die Statistik des englischen Pauperismus nur oberflächlich anzusehn, und man findet, daß seine Masse mit jeder Krise schwollt und mit jeder Wiederbelebung des Geschäfts abnimmt.

Zweitens: Waisen und Pauperkinder. Sie sind Kandidaten der industriellen Reservearmee und werden in Zeiten großen Aufschwungs, wie 1860 z.B., rasch und massenhaft in die aktive Arbeiterarmee einrilliert. Drittens: Verkommene, Verlumpte, Arbeitsunfähige. Es sind namentlich Individuen, die an ihrer durch die Teilung der Arbeit verursachten Unbeweglichkeit untergehn, solche, die über das Normalalter eines Arbeiters hinausleben, endlich die Opfer der Industrie, deren Zahl mit gefährlicher Maschinerie, Bergwerksbau, chemischen Fabriken etc. wächst, Verstümmelte, Verkrankte, Witwen etc. Der Pauperismus bildet das Invalidenhaus der aktiven Arbeiterarmee und das tote Gewicht der industriellen Reservearmee. Seine Produktion ist eingeschlossen in der Produktion der relativen Übervölkerung, seine Notwendigkeit in ihrer Notwendigkeit, mit ihr bildet er eine Existenzbedingung der kapitalistischen Produktion und Entwicklung des Reichtums. Er gehört zu den faux frais der kapitalistischen Produktion, die das Kapital jedoch großenteils von sich selbst ab auf die Schultern der Arbeiterklasse und der kleinen Mittelschicht zu wälzen weiß.

I translated “Niederschlag der relativen Übervölkerung” with “fallout from” instead of “sediment of,” since the clause “lowest sediment” evokes the

image of the lowest layer in a rock, i.e., it makes it appear as if pauperism were part of the surplus population.
I wrote “infirmary” instead of

“hopital” (both Fowkes and Moore-Aveling use “hospital”) because nowadays one expects a hospital to heal its patients. This was not the case at Marx’s time.

Question 908 (*Tue Dec 7–Thu Dec 9*) *What is pauperism?*
What is its relationship to the relative surplus population?

25.4. Forms of Existence of Surplus Population

Discuss contemporary forms of pauperism.

Which political actions can one expect from paupers and why? 2009fa, 2008fa, 2008SP, 2007SP, 2005fa, 2004fa, 2002fa, 1999SP.

The next four paragraphs give an important summary of the whole chapter. It begins with a recapitulation of the present section:

798:1 The greater the social wealth, the functioning capital, the extent and energy of its growth, therefore also the absolute size of the proletariat and the productive powers of its labor, the greater is the industrial reserve army. The same causes which develop the expansive power of capital, also develop the disposable labor-power.

↑ By “disposable” labor-power Marx means that part of the labor-power that is relatively in surplus. In the fourth paragraph, 798:4/o, Marx speaks of an equilibrium between relative surplus-population and the extent and energy of accumulation.

The relative magnitude of the industrial reserve army thus increases with the potential energy of wealth. But the greater this reserve army in proportion to the active labor-army, the greater is the mass of a consolidated surplus population, whose misery is in inverse ratio to the amount of torture it has to undergo in the form of labor.

673:2/o Je größer der gesellschaftliche Reichtum, das funktionierende Kapital, Umfang und Energie seines Wachstums, also auch die absolute Größe des Proletariats und die Produktivkraft seiner Arbeit, desto größer die industrielle Reservearmee. Die disponibile Arbeitskraft wird durch dieselben Ursachen entwickelt wie die Expansionskraft des Kapitals.

Die verhältnismäßige Größe der industriellen Reservearmee wächst also mit den Potenzen des Reichtums. Je größer aber diese Reservearmee im Verhältnis zur aktiven Arbeiterarmee, desto massenhafter die konsolidierte Übervölkerung, deren Elend im umgekehrten Verhältnis zu ihrer Arbeitsqual steht.

Question 909 (Tue Dec 7–Thu Dec 9) What is worse: the misery of idle impoverishment or the torture of work? 2009fa, 2008fa, 2008SP, 2007fa, 2007SP, 2005fa, 2004fa, 2003fa, 2002fa, 2001fa, 1999SP.

The more extensive, finally, the pauperized sections of the working class and the industrial reserve army, the greater is official pauperism.

What Marx said since the beginning of this paragraph is a formulation of the General Law of Capitalist Accumulation:

This is the absolute general law of capitalist accumulation. Like all other laws, it is modified in its working by many circumstances, the analysis of which does not concern us here.

Je größer endlich die Lazarusschichte der Arbeiterklasse und die industrielle Reservearmee, desto größer der offizielle Pauperismus.

Dies ist das absolute, allgemeine Gesetz der kapitalistischen Akkumulation. Es wird gleich allen andren Gesetzen in seiner Verwirklichung durch mannigfache Umstände modifiziert, deren Analyse nicht hierher gehört.

↑ This last sentence notes that all laws are tendential. This is especially true regarding social laws, since social phenomena will come into existence only through the individual activity which may have quite different intentions.

↓ Population is controlled by capital, therefore there is no use to try to control it on the side of the laborers:

25. General Law of Capitalist Accumulation

798:2 We can now understand the foolishness of the economic wisdom which preaches to the workers that they should adapt their numbers to the valorization requirements of capital. The mechanism of capitalist production and accumulation itself constantly effects this adjustment. The first word of this adaptation is the creation of a relative surplus population, or industrial reserve army. Its last word is the misery of constantly expanding strata of the active army of labor, and the dead weight of pauperism.

674:1 Man begreift die Narrheit der ökonomischen Weisheit, die den Arbeitern predigt, ihre Zahl den Verwertungsbedürfnissen des Kapitals anzupassen. Der Mechanismus der kapitalistischen Produktion und Akkumulation paßt diese Zahl beständig diesen Verwertungsbedürfnissen an. Erstes Wort dieser Anpassung ist die Schöpfung einer relativen Übervölkerung oder industriellen Reservearmee, letztes Wort das Elend stets wachsender Schichten der aktiven Arbeiterarmee und das tote Gewicht des Pauperismus.

Question 910 (*Tue Dec 7–Thu Dec 9*) Does it follow from this argument that overpopulation is not the problem with world poverty today? [2009fa](#), [2008fa](#), [2007fa](#), [2007SP](#).

Next Marx situates this general law of capitalist accumulation as the capitalistic expression of some general laws of technology. Instead of being a way out of the drudgery of labor, the higher productive powers are, under capitalism, turned against the laborer. This is alienation:

798:3 On the basis of capitalism, a system in which the worker does not employ the means of production, but the means of production employ the worker, the law by which a constantly increasing quantity of means of production may be set in motion by a progressively diminishing expenditure of human power, thanks to the advance in the productivity of social labor, undergoes a complete inversion, and is expressed thus: the higher the productive powers of labor, the greater is the pressure of the workers on the means of employment, the more precarious therefore becomes the condition for their existence, namely the sale of their own labor-power for the increase of alien wealth, or in other words the self-valorization of capital. The fact that the means of production and the productive powers of labor increase more rapidly than the productive population expresses itself, therefore, under capitalism, in the inverse form that the working population always increases more rapidly than the valorization requirements of capital.

674:2 Das Gesetz, wonach eine immer wachsende Masse von Produktionsmitteln, dank dem Fortschritt in der Produktivität der gesellschaftlichen Arbeit, mit einer progressiv abnehmenden Ausgabe von Menschenkraft in Bewegung gesetzt werden kann—dies Gesetz drückt sich auf kapitalistischer Grundlage, wo nicht der Arbeiter die Arbeitsmittel, sondern die Arbeitsmittel den Arbeiter anwenden, darin aus, daß, je höher die Produktivkraft der Arbeit, desto größer der Druck der Arbeiter auf ihre Beschäftigungsmittel, desto prekärer also ihre Existenzbedingung: Verkauf der eignen Kraft zur Vermehrung des fremden Reichtums oder zur Selbstverwertung des Kapitals. Rasches Wachstum der Produktionsmittel und der Produktivität der Arbeit als der produktiven Bevölkerung drückt sich kapitalistisch also umgekehrt darin aus, daß die Arbeiterbevölkerung stets rascher wächst als das Verwertungsbedürfnis des Kapitals.

This last sentence gives an ultimate background reasoning why capital can successfully use technology to overcome the natural barrier of the population growth: growth of the productive powers of labor is more rapid than that of the population.

25.4. Forms of Existence of Surplus Population

Question 911 (Tue Dec 7–Thu Dec 9) *The only way the worker can improve his lot in society is to increase the productive powers of his labor. Right or wrong? 2009fa, 2008fa, 2008SP, 2007fa, 2007SP, 2005fa, 2004fa, 2003fa, 2002fa, 1999SP.*

The passage culminates in a vivid description of the antagonistic character of the accumulation of capital. First an interesting summary of part IV:

798:4/o We saw in Part IV, when analyzing the production of relative surplus-value, that within the capitalist system all methods for raising the social productive powers of labor are put into effect at the expense of the individual worker; that all means for the development of production undergo a dialectical inversion so that they become means of domination and exploitation of the producers; they distort the worker into a fragment of a man, they degrade him to the level of an appendage of a machine, they destroy the actual content of his labor by turning it into a torment; they alienate from him the intellectual potentialities of the labor process in the same proportion as science is incorporated in it as an independent power; they deform the conditions under which he works, subject him during the labor process to a despotism the more hateful for its meanness; they transform his life-time into working-time, and drag his wife and child beneath the wheels of the juggernaut of capital.

↓ Now from production to accumulation: But all methods for the production of surplus-value are at the same time methods of accumulation, and every extension of accumulation becomes, conversely, a means for the development of those methods. It follows therefore that in proportion as capital accumulates, the situation of the worker, be his payment high or low, must grow worse.

Finally, the law which always holds the relative surplus population or industrial reserve army in equilibrium with the extent and energy of accumulation rivets the worker to capital more firmly than the wedges of Hephaestus held Prometheus to the rock. It makes an accumulation of misery a necessary condition, corresponding to the accumulation of wealth. Accumulation of wealth

674:3/o Wir sahen im vierten Abschnitt bei Analyse der Produktion des relativen Mehrwerts: innerhalb des kapitalistischen Systems vollziehn sich alle Methoden zur Steigerung der gesellschaftlichen Produktivkraft der Arbeit auf Kosten des individuellen Arbeiters; alle Mittel zur Entwicklung der Produktion schlagen um in Beherrschungs- und Exploitationsmittel des Produzenten, verstümmeln den Arbeiter in einen Teilmenschen, entwürdigen ihn zum Anhängsel der Maschine, vernichten mit der Qual seiner Arbeit ihren Inhalt, entfremden ihm die geistigen Potenzen des Arbeitsprozesses im selben Maße, worin letzterem die Wissenschaft als selbständige Potenz einverlebt wird; sie verunstalten die Bedingungen, innerhalb deren er arbeitet, unterwerfen ihn während des Arbeitsprozesses der kleinlichst gehässigen Despotie, verwandeln seine Lebenszeit in Arbeitszeit, schleudern sein Weib und Kind unter das Juggernaut-Rad des Kapitals.

Aber alle Methoden zur Produktion des Mehrwerts sind zugleich Methoden der Akkumulation, und jede Ausdehnung der Akkumulation wird umgekehrt Mittel zur Entwicklung jener Methoden. Es folgt daher, daß im Maße wie Kapital akkumuliert, die Lage des Arbeiters, welches immer seine Zahlung, hoch oder niedrig, sich verschlechtern muß.

Das Gesetz endlich, welches die relative Übervölkerung oder industrielle Reservearmee stets mit Umfang und Energie der Akkumulation in Gleichgewicht hält, schmiedet den Arbeiter fester an das Kapital als den Prometheus die Keile des Hephästos an den Felsen. Es bedingt eine der Akkumulation von Kapital entsprechende Akkumulation von Elend. Die Akkumulation von Reich-

25. General Law of Capitalist Accumulation

at one pole is, therefore, at the same time accumulation of misery, the torment of labor, slavery, ignorance, brutalization and moral degradation at the opposite pole, i.e. on the side of the class that produces its own product as capital.

Tendency of the development of the relative surplus-population. Law of the absolute impoverishment (immiseration) of the working class. Its truth today must be seen on a world wide scale.

tum auf dem einen Pol ist also zugleich Akkumulation von Elend, Arbeitsqual, Sklaverei, Unwissenheit, Brutalisierung und moralischer Degradation auf dem Gegenpol, d.h. auf Seite der Klasse, die ihr eignes Produkt als Kapital produziert.

Question 913 (Tue Dec 7–Thu Dec 9) Define and discuss the law of the absolute impoverishment of the working class. Does it apply today? [2008fa](#), [2008SP](#), [2007fa](#), [2007SP](#), [2004fa](#), [2001fa](#), [1999SP](#).

The section concludes with a collection of quotes how the economists saw this “antagonistic character of the capitalist accumulation process” (and in footnote 88 Marx’s own earlier formulation). This is no longer reproduced here, please read it in the book, pp. 799:1–802:1.

Question 915 (Tue Dec 7–Thu Dec 9) “The poor and idle are a necessary consequence of the rich and active.” Right or wrong? [2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#), [2007SP](#), [2005fa](#), [2004fa](#), [2003fa](#), [2002fa](#), [1997WI](#).

Question 918 (Tue Dec 7–Thu Dec 9) What is the General Law of Capitalist Accumulation? [2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#), [2005fa](#), [2004fa](#), [1999SP](#), [1998WI](#), [1997WI](#).

Question 919 (Tue Dec 7–Thu Dec 9) After describing how capital shapes the technology of the production process and even controls the supply of labor, did Marx overlook that capital would not be able to overcome the ecological limits of planet Earth? [2009fa](#).

Term Paper Topic 920 (Fri Dec 3–Mon Dec 6) Term Paper on the Externalities of Capitalism, i.e., on the positive and negative local and global impacts of production in the name of profits. [2009fa](#), [2008fa](#), [2008SP](#), [2007fa](#).

Question 921 (Tue Dec 7–Thu Dec 9) If capitalism is as bad as Marx says, why isn’t there an open rebellion against it? [2009fa](#).

A. The Commodity (from “Contribution”)

269:1 At first sight, the wealth of bourgeois society appears as an immense heap of commodities, and the individual commodity as its elementary determinate being.

“Appears as,” for Marx, always has the meaning “on the surface takes the social form of.” “At first sight” indicates that the commodity form of wealth is an immediately obvious surface relation in capitalist society, but it is not yet an exhaustive characterization of capitalist social relations.

It is a stylistic peculiarity that Marx often writes the word “appears” (*erscheint*) where a naive reader might expect the word “is.” The first half of the above sentence can be paraphrased as: “Capitalist wealth is a big heap of commodities.” This paraphrase however is less precise than Marx’s formulation, because the word “is” in the sentence “A is B” can have a number of different meanings. The formulation “appears as” specifies this meaning explicitly: “Commodity” is the *social form* through which the social wealth can be accessed on the surface of the economy.

What does it mean to say that the commodity is the social form of wealth? It does *not* mean that a person’s wealth is measured by, or displayed by, the number of things they have. Wealth is intrinsically social; it should be thought of as the amount of resources available to *society*. The *social form* of wealth are then those social relations which govern who in society produces and who has access to how much of this social resource. In capitalism, this social form is the form of a commodity. A commodity is something produced for the market. In other words, the many things which a capitalist society produces are available to those who have the money to buy them on the market.

The first sentence, leading from bourgeois wealth to the individual commodity, is similar to the first sentence in *Capital I*. Besides a differently worded reference to capitalism (*Contribution*: bourgeois wealth—*Capital*: wealth of those societies in which the capitalist mode of production reigns) there is only the following difference: *Contribution* has “At first sight, wealth appears” while *Capital* only has “wealth appears”—but the French and English translations have “presents itself.” *Contribution* brings therefore the two meanings side by side which *Capital* collapsed into one (see my notes about the first sentence of *Capital*, 125:1).

Here is another interesting difference in the wording. *Contribution*: elementary determinate being (*elementarisches Dasein*)—*Capital*: elementary form (*Elementarform*). The word *Dasein* is often used in *Contribution*. It means determinate being, i.e., it is a form of existence in which certain inner traits (determinations) of the thing are turned on. Since such inner traits can manifest themselves only in relation with other things, one can also consider *Dasein* to be a form of existence which allows the thing to have certain relationships. As commodities, things enter social relationships in which the fact that they are part of society’s wealth finds social recognition.

15:1 Auf den ersten Blick erscheint der bürgerliche Reichtum als eine ungeheure Warenansammlung, die einzelne Ware als sein elementarisches Dasein.

A. The Commodity (*Contribution*)

Then *Capital I* continues with the sentence: “The analysis of the individual commodity will therefore be the starting point of our investigation,” while *Contribution* closes in on the commodity without further comment.

Arrived at the commodity, *Contribution* plunges in with the double aspect of use-value and exchange-value:

Each commodity, however, represents itself under the twofold aspect of *use-value* and *exchange-value*.*

Jede Ware aber stellt sich dar unter dem doppelten Gesichtspunkt von *Gebrauchswert* und *Tauschwert*.*

The word “represents itself” means here: this is the first thing the commodities say to those practically handling them. See Notes on Wagner, [mecw24]544:6/o. No digging is necessary to find this out; all you have to do is listen to the commodity.

The beginning of *Capital* proceeds more systematically. It does not start right away with the twofold nature of the commodity, but it first looks at the commodity as a use-value only. In *Capital*, exchange-value will not even be mentioned until the end of 126:1.

The transition from wealth to the two-fold character of the commodity might have been driven by the reasoning that commodities, since they are a form of wealth, must be something which is of value to people. The wording “represents itself” (*stellt sich dar*) indicates that this is what the commodity is *for* the individuals handling the commodities. Looking closer one discovers that this “value” stems from two different uses of the commodity, so that Marx makes the distinction between two kinds of value: use-value and exchange-value.

According to footnote *, Aristotle was the first to write down this distinction (as well as the observation that one kind of value, the use-value, is tied to the natural existence of a commodity).

* Aristotle, *De Republica*, I. I, c. 9 (edit. I. Bekkeri, Oxonii, 1837). Of every article there are two uses: ... one is proper to the thing as such, the other is not. For example, a shoe is used for wear, and is used for exchange. Both are use-values of the shoe, for he who gives the shoe in exchange for something which he lacks, e.g. food, does indeed use the shoe as a shoe. But that is not its natural use, for a shoe does not exist to be an object of barter. The same may be said of all articles.”

* Aristotle, „*De Republica*“, L. I, C. 9 (edit. I. Bekkeri, Oxonii 1837). „Denn zweifach ist der Gebrauch jedes Guts ... Der eine ist dem Ding als solchen eigen, der andre nicht, wie einer Sandale, zur Beschuhung zu dienen und austauschbar zu sein. Beides sind Gebrauchswerte der Sandale, denn auch wer die Sandale mit dem ihm Mangelnden, z.B. der Nahrung austauscht, benutzt die Sandale als Sandale. Aber nicht in ihrer natürlichen Gebrauchsweise. Denn sie ist nicht da des Austausches wegen. Dieselbe Bewandtnis hat es auch um die andern Güter.“

The use-value will be defined (and the discussion of the use-value as such will be dispensed with) in the next two paragraphs. Afterwards, the discussion will focus on the exchange-value.

269:2 A commodity is at first, as the English economists formulated it, “any thing necessary, useful or pleasant in life,” an object of human wants, a means of consumption in the widest sense of the term.

15:2 Die Ware ist zunächst, in der Sprachweise der englischen Ökonomen, „irgendein Ding, notwendig, nützlich, oder angenehm für das Leben“, Gegenstand menschlicher Bedürfnisse, Lebensmittel im weitesten Sinne des Wortes.

“Lebensmittel” is translated with “means of subsistence.” “Means of consumption,” not

“means of subsistence.” “Means of subsistence” usually means only

the very basic means of consumption.

Marx does not give a source for this quote, which presumably refers to McCulloch’s note in

[Smi28, p. 9 of vol. 1]

In *Contribution*, Marx calls every use-value a “means of consumption in the widest sense of the term,” while in *Capital I*, 125:2, the distinction is made between means of consumption and means of production. This is not a contradiction. Marx subsumes the means of production under a broad definition of means of consumption.

This determinate being of the commodity as use-value coincides with its physical palpable existence.

Dieses Dasein der Ware als Gebrauchswert und ihre natürliche handgreifliche Existenz fallen zusammen.

This sentence illustrates the difference between determinate being and existence. “Determinate being as use-value” is a mode of existence in which the commodity’s useful properties are accessible. Achieving a determinate being usually requires work, but here is the big exception: All one needs is to have possession of the commodity as a thing, in order to benefit from its properties. Although this may seem obvious, Marx sets out to derive it by a dialectical negation of a negation.

Wheat, for example, is a distinct use-value differing from the use values cotton, glass, paper, etc.

Weizen z.B. ist ein besonderer Gebrauchswert im Unterschied von den Gebrauchswerten Baumwolle, Glas, Papier usw.

Imagine you are holding some wheat kernels in your hand. This wheat (now you think of it as a tangible thing—existence) is a distinct use-value (now you think of its usefulness as a means of living, i.e., how this wheat *relates* to your well-being—determinate being), differing from the use-values cotton, glass, paper, etc. (if you were holding a different object in your hands you would have access to different use-values). The point of this little thought experiment is: when we think of the things in our possession, we usually think of them in terms of their use-values. This is the first step in the dialectic, the position.

↓ For a proper understanding of the next sentence, the following remark may be useful. Starting with the second edition of *Capital*, Marx reserves the word *value* for that what gives a commodity its exchange-value, i.e., the labor content. In *Contribution*, Marx has not yet made this terminological decision. Here he uses the word “exchange-value” often in situations where in *Capital* he would have said “value.” And the word “value” itself is used in a broader meaning, as in the following sentence:

A use-value has value only in use, and is realized only in the process of consumption.

Der Gebrauchswert hat nur Wert für den Gebrauch und verwirklicht sich nur im Prozeß der Konsumtion.

↑ Marx says something similar in *Capital*, 126:1. Why does he mention this here? Because this is a negation of the previous sentence. Although we tend to think of our possessions in terms of their use-values, these use-values do not really exist until the moment we use the thing. At all other times they are only a potential. ↓ Use-values are also elusive in a different way:

One and the same use-value can be used in various ways.

Derselbe Gebrauchswert kann verschieden vernutzt werden.

↑ Use-values are not well defined; the thing which we have in our hand can be used in many different ways. Wheat can be used for baking or for seed corn. ↓ But we thought we had something firm in our hand. What is it? This leads to the negation of the negation:

But the total range of its possible applications is summarized by its determinate being as an object with distinct properties.

Die Summe seiner möglichen Nutzanwendungen jedoch ist zusammengefaßt in seinem Dasein als Ding mit bestimmten Eigenschaften.

A. The Commodity (Contribution)

↑ This determinate being as a thing with specific properties is at the same time the natural existence of the thing. Marx has therefore made the transition from the use-value of the thing to its natural existence by an immanent negation of negation, not through an extraneous reflection.

↓ The last two sentences in this paragraph discuss how use-values are determined quantitatively. This is needed because the exchange-value at first appears as a quantitative proportion of use-values, see 270:2.

It is, moreover, determined not only qualitatively but also quantitatively. Different use-values have different measures appropriate to their physical characteristics; for example, a bushel of wheat, a quire of paper, a yard of linen, etc.

The next paragraph discusses wealth as it relates to use-values and social forms, instead of dealing with use-values outside of social forms.

270:1 Whatever the social form of wealth may be, use-values always constitute its content, which is, at first, not affected by this form.

This sentence establishes an interesting connection between wealth, the point we started with at the beginning of the chapter, and use-value: Use-value is the content of wealth (wealth obviously used here only in the sense of material wealth). The sentence also makes a negative statement that is repeated and illustrated throughout the paragraph: this content is a first indifferent toward the social form of wealth. That is why the investigation of the use-value as such will be dispensed with.

From the taste of wheat it is not possible to tell who produced it, a Russian serf, a French peasant or an English capitalist.

Er ist ferner nicht nur qualitativ, sondern auch quantitativ bestimmt. Ihrer natürlichen Eigentümlichkeit gemäß besitzen verschiedene Gebrauchswerte verschiedene Maße, z.B. Scheffel Weizen, Buch Papier, Elle Leinwand usw.

15:3/o Welches immer die gesellschaftliche Form des Reichtums sei, Gebrauchswerte bilden stets seinen gegen diese Form zunächst gleichgültigen Inhalt.

Man schmeckt dem Weizen nicht an, wer ihn gebaut hat, russischer Leibeigner, französischer Parzellenbauer oder englischer Kapitalist.

In other words, wheat produced under these different conditions has the same use-value.

Question 922 (Mon Aug 23–Thu Aug 26) Is it correct that wheat has the same use-value regardless of the social relations of production under which it is produced? Is it not true that in capitalism, wheat varieties tend to be developed which have different properties than one would need in a different kind of society? Give examples and discuss whether Marx made a mistake here.

The next sentence is extremely interesting, and it is not contained in *Capital!*

Although use-values serve social needs and therefore exist within a social context, they are not an expression of a social relation of production.

Obgleich Gegenstand gesellschaftlicher Bedürfnisse, und daher in gesellschaftlichem Zusammenhang, drückt der Gebrauchswert jedoch kein gesellschaftliches Produktionsverhältnis aus.

Next, the same argument which Marx made two sentences ago with wheat is now repeated with a diamond, but here it is an elaboration of the claim that the use-value does not express an economic relation of production.

For instance, this commodity here, as a use-value, is a diamond. We cannot tell from the

Diese Ware als Gebrauchswert ist z.B. ein Diamant. Am Diamant ist nicht wahrzuneh-

physical properties of the diamond that it is a commodity. Wherever it serves as a use-value, aesthetically on the neck of a courtesan or mechanically in the hand of a glass-cutter, it is diamond and not commodity. To be a use-value seems a necessary prerequisite for the commodity, while it seems of no consequence for a use-value whether it is a commodity or not.

Why “seems”? Because it is a conclusion drawn from the appearances (whether or not it is the right conclusion).

Use-value in this indifference towards economic form determinations, i.e. use-value as such, lies outside the sphere of investigation of political economy.*

This is a very qualified statement. Marx does not say here that use-values are beyond the realm of economics. He says: as long as use-value does not affect economic relations (and the above simple argument suggests that this is indeed the case most of the time), it does not fall into the realm of economics. Then, in a footnote, Marx takes a sarcastic snide at German professors: they love talking about use-values because this allows them not to talk about the economy:

* That is why German compilers write con amore about use-values, calling them “goods.” See for example the section on “goods” in L. Stein, *System der Staatswissenschaft*, Bd. I. Useful insights on “goods” may be found in “commercial product manuals.”

men, daß er Ware ist. Wo er als Gebrauchswert dient, ästhetisch oder mechanisch, am Busen der Lorette oder in der Hand des Glasschleifers, ist er Diamant und nicht Ware. Gebrauchswert zu sein scheint notwendige Voraussetzung für die Ware, aber Ware zu sein gleichgültige Bestimmung für den Gebrauchswert.

Der Gebrauchswert in dieser Gleichgültigkeit gegen die ökonomische Formbestimmung, d.h. der Gebrauchswert als Gebrauchswert, liegt jenseits des Betrachtungskreises der politischen Ökonomie.*

* Dies ist der Grund, warum deutsche Komplikatoren den unter dem Namen „Gut“ fixierten Gebrauchswert con amore abhandeln. Sieh z.B. L. Stein, „System der Staatswissenschaft“, Bd. I, den Abschnitt von den „Gütern“. Verständiges über „Güter“ muß man suchen in „Anweisungen zur Warenkunde“.

This outburst transformed itself into a much more toned-down remark in the main text of *Capital*, 18:2 in the first edition, and unchanged 126:1 in the fourth. But apparently the German professors did not forget it; they hit back by spreading the rumor that Marx does not talk about use-value at all.

The following remark in *Notes on Wagner*, [mecw24]545:1, seems to refer to this footnote * here in *Contribution* rather than to one in *Capital*:

Only a *vir obscurus* who has not understood a word of *Capital* can conclude: Because Marx in a note in the first edition of *Capital* rejects all the German professorial twaddle about “use-value” in general, and refers readers who want to know something about real use-values to “manuals dealing with merchandise”—for this reason *use-value* plays no part in his work.”

Marx takes such strong exception to this distortion of his views because there are indeed many cases when use-value does play a role. He says this right here, in *Contribution*, right after the hard-hitting footnote:

It belongs in this sphere only when it itself determines the economic form.

In ihren Kreis fällt er nur, wo er selbst Formbestimmung.

In *Grundrisse*, 881:2a, Marx says it more explicitly: “Use-value falls into [the area of political economy] whenever it is modified by the modern production relations or itself exerts

A. The Commodity (*Contribution*)

a modifying influence on them.” This could also be true for wheat, see Question 922 above.

Question 923 (*Mon Aug 23–Thu Aug 26*) *Give examples where use-value is an economic form determination. (Difficult!) 2005fa.*

At the end of this second paragraph about use-values, the transition to exchange-value:

Use-value as such is the material substratum in which a determinate economic relationship—exchange value—represents itself.

Unmittelbar ist er die stoffliche Basis, woran sich ein bestimmtes ökonomisches Verhältnis darstellt, der *Tauschwert*.

“Unmittelbar” means: not as Formbestimmung. Note that the

exchange-value is linked to the use-value, not to the body of the

commodity itself.

Term Paper Topic 924 (*Tue Oct 5–Thu Oct 7*) *Comparison of Chapters One and Two in Capital with Chapter One in Marx’s 1859 Contribution to the Critique of Political Economy. 2002fa, 1995ut.*

B. Value (from “Grundrisse”)

This is a draft of the beginning of chapter I of *Grundrisse*. Note that it is called “Value.” Only later did Marx decide to call his first chapter “Commodity.”

881:2 The first category in which bourgeois wealth presents itself is that of the commodity.

763:2/o Die erste Kategorie, worin sich der bürgerliche Reichtum darstellt, ist die der Ware.

“Category,” for Marx, is a concept necessary for an understanding of reality (here bourgeois wealth, i.e., wealth in a capitalist society). This mental concept helps us *understand* reality because it refers to certain social forces outside our brain which *shape* this reality. Marx says therefore two things in this sentence: that “commodity” is a social relation through which access to wealth is regulated in a capitalist society, and that it is the first social form which presents itself.

While the first sentence of *Capital* says that all wealth in capitalism is a commodity, this sentence says: if one wants to explore the social relations in capitalism involving wealth, the first social form which presents itself (because it visibly governs the daily interactions of individual with wealth) is the commodity relation.

The commodity, in turn, appears as the unity of two determinations.

Die Ware selbst erscheint als Einheit zweier Bestimmungen.

Why does Marx write here: “the commodity *appears*” and not “the commodity *is*”? Because use-value and exchange-value, the two determinations Marx refers to here, are the handles, interfaces, through which the economic agents interact with commodities. Literally, the word “appears” denotes that what one sees first. But Marx not only speaks about observing the commodity, but more generally about any practical activity involving the commodity.

The word “appears” indicates that the thing which you see on the store shelf is so-to-say only the tip of the iceberg. These palpable things are offered for sale only because of very specific social relations. The category “commodity” comprises not only the things but the invisible social relations as well.

Next Marx spends several sentences to discuss one of the two determinations, the use-value:

It is use-value, i.e. object for the satisfaction of some system of human wants. This is its material aspect, which may be common to the most disparate epochs of production, and whose investigation is beyond the realm of political economy.

Sie ist Gebrauchswert, d.h. Gegenstand der Befriedigung irgendeines Systems menschlicher Bedürfnisse. Es ist dies ihre stoffliche Seite, die den disparatesten Produktionsepochen gemeinsam sein kann und deren Betrachtung daher jenseits der politischen Ökonomie liegt.

After saying that the study of use-values is not part of political economy, Marx is conscientious enough to indicate that there are exceptions to this. Sometimes use-value is indeed part of political economy:

Use-value falls into that realm whenever it is modified by the modern production rela-

Der Gebrauchswert fällt in ihren Bereich, sobald er durch die modernen Produktions-

B. Value (*Grundrisse*)

tions or itself exerts a modifying influence on them.

But this precision is only confusing here; the general message which the reader should come away with here at the beginning is that use-values are usually *not* part of political economy. This is why books about political economy, when they feel obligated to say a word or two about use-value, usually only come up with platitudes:

What is usually said about this in general terms (because this is the thing to do) is nothing more than a bunch of platitudes—

Again Marx is conscientious enough to qualify his criticism: yes, in the beginnings of the science of economics such discussions of use-value may have been justified:

which had an historical value in the early beginnings of that science, in which the social forms of bourgeois production still had to be laboriously abstracted from the [empirical] material and with great effort fixed as independent objects of investigation.

verhältnisse modifiziert wird oder seinerseits modifizierend in sie eingreift.

Was im Allgemeinen anstandshalber darüber gesagt zu werden pflegt, beschränkt sich auf Gemeinplätze,

die einen historischen Wert hatten in den ersten Anfängen der Wissenschaft, als die gesellschaftlichen Formen der bürgerlichen Produktion noch mühsam aus dem Stoff herausgeschält und mit großer Anstrengung als selbständige Gegenstände der Betrachtung fixiert wurden.

By addressing all these caveats on his first page, Marx overburdens the reader and blurs the lines that should be drawn clearly for didactical reasons. But the passage which we just read throws an interesting light on methodology. The “material” is the overwhelming variety of things relevant for human practice which need an explanation. This material has to be sorted according to the character of the forces that affect it: are these forces political, economic, ideological (religion), psychological, or physical forces of nature? The first task which the new science of economics has to accomplish is to sift through all these phenomena and “peel out” those which have an economic explanation, those which are economic “forms,” i.e., the interface through which the invisible economic structure is accessible to the individual agents (and, in turn, affects them).

After this theory-critical remark let's go back to the relationship between use-values and the economy:

In fact, however, the use-value of the commodity is a given presupposition—the material basis in which a specific economic relation presents itself. This specific relation is what stamps use-value as a commodity.

In der Tat aber ist der Gebrauchswert der Ware gegebne Voraussetzung—, die stoffliche Basis, woran sich ein bestimmtes ökonomisches Verhältnis darstellt. Es ist erst dies bestimmte Verhältnis, das den Gebrauchswert zur Ware stempelt.

Just as the canvas is the necessary basis of the painting but does not belong to the painting, so use-values are the necessary material basis (in *Capital*, Marx uses the word “carrier”) for economic relations without themselves representing an economic relation. As proof that use-values are not economic relations Marx reminds us that their character does not change with the economic relations:

Wheat, for instance, possesses the same use-value, whether it is grown by slaves, serfs or free labourers. It would not lose its use-value were it to come down from the sky like snow.

881:3/o Well, how does use-value turn

Weizen z.B. besitzt denselben Gebrauchswert, ob er von Sklaven, Leibeignen oder freien Arbeitern gebaut werde. Er würde seinen Gebrauchswert nicht verlieren, wenn er vom Himmel herunterschneite.

Wie verwandelt sich nun der Gebrauchswert

into a commodity? By being a bearer of *exchange-value*.

A commodity is therefore two things at the same time: use-value and exchange-value. But these two aspects of the commodity are in battle with each other:

Although they are immediately united in the commodity, use-value and exchange-value just as immediately fall asunder. Exchange-value appears not determined by use-value and, moreover, the commodity only becomes a commodity, only realises itself as exchange-value, to the extent that its owner does not relate to it as use-value. Only by alienating it, by exchanging it for other commodities, does he appropriate use-values.

↓ Now comes a big jump: Marx declares the principle of “appropriation by alienation,” which governs market interactions, also to be the driving principle of *production*. If circulation is governed by this principle, the production must be governed by it too:

Appropriation by means of alienation is the basic form of the social system of production of which exchange-value appears as the simplest, most abstract expression. The use-value of the commodity is presupposed, yet not for the owner of the commodity, but for society in general.

Appropriation by alienation seems fair enough: you only get something if you also give something in return. But this tit-for-tat presupposes a social relation in which individuals are atomized, which is not the normal state of humankind. Marx makes this clear by the horrors of exchange relations entering the family:

882:1 Just as a Manchester family of factory workers in which the children stand in a relation of exchange to their parents and pay board and lodging to them does not represent the customary economic organisation of the family, so the system of modern private exchange does not, in general, represent the spontaneously evolved economy of societies.

Question 925 (Mon Aug 23–Thu Aug 26) Why did working class families in Manchester force their children to pay for room and board? [2008fa](#).

Such an arms-length relationship between highly interdependent agents, here the Manchester working-class parents and their children, does not occur spontaneously in a society. One first sees it between members of different clans:

Exchange does not begin between individuals within a community, but at the point where the communities cease—at their frontiers.

in Ware? Träger des *Tauschwerts*.

Obgleich unmittelbar in der Ware vereinigt, fallen Gebrauchswert und Tauschwert ebenso unmittelbar auseinander. Nicht nur erscheint der Tauschwert nicht bestimmt durch den Gebrauchswert, sondern vielmehr die Ware wird erst Ware, realisiert sich erst als Tauschwert, sofern ihr Besitzer sich nicht zu ihr als Gebrauchswert verhält. Es ist nur durch ihre Entäußerung, ihren Austausch gegen andre Waren, daß er sich Gebrauchswerte aneignet.

Aneignung durch Entäußerung ist die Grundform des gesellschaftlichen Systems der Produktion, als dessen einfachster, abstrakter Ausdruck der Tauschwert erscheint. Vorausgesetzt ist der Gebrauchswert der Ware, aber nicht für ihren Eigner, sondern für die Gesellschaft überhaupt.

Wie eine Manchester Familie von Fabrikarbeitern, worin die Kinder im Austauschverhältnis zu ihren Eltern stehn und ihnen Kost und Logis bezahlen, nicht die herkömmliche ökonomische Organisation der Familie darstellt, soweit ist das System des modernen Privataustauschs überhaupt die naturwüchsige Ökonomie der Gesellschaften.

Der Austausch beginnt nicht zwischen den Individuen innerhalb eines Gemeinwesens, sondern da, wo die Gemeinwesen aufhören—

B. Value (*Grundrisse*)

tiers, at the point of contact between different communities.

On a more positive note, communal property is not a curiosity that can only be found in certain societies, but it is something one finds almost universally if one goes back in history:

Communal property has recently been rediscovered as a peculiarly Slavic curiosity. But in fact India offers us a pattern card of the most diverse forms of such an economic community, more or less decomposed but still entirely recognisable; and more thorough historical study finds it as the starting point of all cultured peoples. The system of production based upon private exchange is initially the historical dissolution of this spontaneously evolved communism. Yet a whole series of economic systems lies between the modern world, in which exchange-values dominates production in its entire depth and width, and the social formations whose basis is decomposed communal property, without however [...]

an ihrer Grenze, an dem Punkt des Kontakts verschiedner Gemeinwesen.

Das Gemeineigentum ist neuerdings als eine besondere slawische Kuriosität wiederentdeckt worden. In der Tat aber bietet uns Indien eine Musterkarte der mannigfaltigsten Formen solcher ökonomischen Gemeinwesen, mehr oder minder aufgelöst, aber noch vollständig erkennbar; und eine gründlichere Geschichtsforschung findet es als Ausgangspunkt bei allen Kulturvölkern wieder. Das Privataustausch gegründete System der Produktion ist zuerst historische Auflösung dieses naturwüchsigen Kommunismus. Jedoch liegt wieder eine ganze Reihe ökonomischer Systeme zwischen der modernen Welt, worin der Tauschwert die Produktion in ihrer ganzen Tiefe und Breite beherrscht, und den Gesellschaftsformationen, deren Grundlage zwar schon das aufgelöste Gemeineigentum bildet, ohne daß [...]

Question 926 (Mon Aug 23–Thu Aug 26) What is wrong with “appropriation by alienation”?
2008fa, 2007fa.

One sees: whereas in *Capital*, Marx identifies abstract labor as the underlying social relation on which capitalism is built, in the present, earlier discussion, Marx focuses on private property relations.

C. Syllabus Econ 5080/6080 Fall 2010

C.1. General Info about this Class

Instructor

Assoc. Prof. Dr. Dr. Hans G. Ehrbar

Office: 363 OSH,

There is no telephone in the office, but Hans's home phone is 801 908 6937
and the main Econ office is 801 581 7481

ehrbar@economics.utah.edu

<http://www.econ.utah.edu/~ehrbar>

Office hours Tues 5–5:45 pm, Fri 11:45 am–12:30 pm.

Hans will post with the pseudonym Hans, and please call him “Hans” when referring to him or in the email conversations.

If you would like to look at the entire syllabus before committing yourself to the class, an electronic copy is available as Appendix C in <http://marx.econ.utah.edu/das-kapital/pdf/halfpage/akmk.pdf>.

Checklist: Four Steps to Get Started

The internet portion of this class does not use WebCT but ordinary email and public web pages. Therefore the following three steps are necessary to become part of Econ 5080/6080.

1. Buy the August 2010 edition of Hans G. Ehrbar’s Annotations to Karl Marx’s Capital at the University of Utah Copy center, details on p. 653 below.
2. Download to your computer the zip archive [ec5080.zip](http://marx.econ.utah.edu/das-kapital/ec5080.zip) with the pdf files necessary for Econ 5080. Instructions are either on p. 671 below, or on the web at <http://marx.econ.utah.edu/das-kapital/index.html>
3. Go to <http://marx.econ.utah.edu/mailman/listinfo/das-kapital> and follow the instructions to subscribe to the mailing list das-kapital, which is the mailing list where all class participants submit their homeworks and term papers. This is an ordinary mailing list, similar to many on the internet, with the additional feature that the identity of the subscribers is protected by a pseudonym, and that also processes the question number of the question asked. Select a pseudonym which is not yet chosen. If you wish to receive email at several different email addresses, you may subscribe several addresses, using the same pseudonym for each. Each address entered into these subscription forms receives an email requesting confirmation, and in order to complete the subscription process you have to respond to these emails.

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4. After your subscription is complete, i.e., after you have received the welcome email telling you that you are now subscribed to das-kapital, you are required to send a simple email message to the homework address `das-kapital@marx.econ.utah.edu` which has no attachments and which has just one line in its body. The text in this body line should be `::Q: 998` if you do not want your grades to be visible to others, and `::Q: 999` if you want your grades visible. You have to learn for this class to send emails in plain text without attachments. This is a valuable skill for anyone participating in mailing lists. See p. 661 for more instructions about sending plain text emails without attachments. After sending this email, you will get an immediate automated response which you should read carefully: either it tells you that something was wrong with your submission, so that you have to try again, or it tells you that things are ok and that you can start making your homework submissions now. It also gives you your shift number, which you need to know for some of your deadlines.

To: `das-kapital@marx.econ.utah.edu`
----- Message Text -----
`::Q: 999`

Table C.1.: Initial email to the homework mailing list

The above four steps must be completed by your second class session, i.e., by Tuesday, Aug 31, 6 pm for those in the evening class, and Friday, Sep 3, 10:45 am for those in the day class. It is recommended that you complete these steps and start contributing to the homework mailing list as early as possible, so that you won't miss the important things that will be discussed in the early classes. Early participation is also rewarded by the fact that after you have made your first submission (which may be an ungraded submission) most in-class sessions are voluntary as long as you keep up with the minimum requirements in homework contributions. The only in-class sessions mandatory for everyone are the exams and the third class session, which is Tuesday, Sep 7, 6 pm or Friday, Sep 10, 10:45 am.

After you are subscribed to the mailing list, an account will be created for you at the interactive web site for the class <http://marx.econ.utah.edu:5080/Plone>. This is not immediate but Hans has to update the logins manually, therefore it may take a few hours before this login is created. Your login id at the interactive web site will be your pseudonym followed by the letter 9, and your initial password will be the same as your password for the mailing list. On this site you will find Hans's latest announcements, information about the current assignments, and if you are logged in you will see link for "grades" in the upper right corner. This link leads you to a summary of your grades. The interactive web site can also be used for discussion and other free-form interaction between the students during the Semester, for instance it provides a platform for co-operation on the term papers.

After completing the third step subscribing you das-kapital, you can send homework submissions to `das-kapital@marx.econ.utah.edu`. You should also receive a steady stream of emails in your inbox, namely, all homework submissions and discussion contributions of the other class participants. You can also read the homeworks on the web at <http://marx.econ.utah.edu/das-kapital/index.html>. This web site is updated frequently, and it contains the homework submissions in a cleaned-up and better organized form. Even better are the pdf archives of the current discussion at <http://marx.econ.utah.edu/das-kapital/screen/2010fa.pdf>. It is easier to see what is going on if you follow the discussion in these well organized archives than if you rely on your incoming

C.1. General Info about this Class

emails only.

Overview

After linking into the class through the above four steps, you will be responsible for answers to the homework questions associated with the readings, contributions to the free discussion list, finding partners for your term paper and registering your term paper group, exams, exam resubmissions, writing the term paper co-operatively with your partners, plus you will have certain extra-credit opportunities. Every participant is also required to give specific feedback to the work of others. Students enrolling under the 6080 class number should consider themselves co-teachers who make some additional contribution enriching the class.

All rules are described precisely below; for instance, the schedule of all homeworks is given on pages 655–661, and the format in which homeworks must be submitted is illustrated in Table C.2 on p. 667. Every now and then it is necessary to adjust the rules and the software underlying this class to the evolving demands, therefore Hans may consider it necessary to change these rules with proper notice.

Prerequisites

The class does not have formal prerequisites, it is mainly about critical thinking and the close reading of a philosophical text (Marx's *Capital*). If you want to prepare for it, you might want to look at some introductory texts into Marxism. There is also a useful handbook *A Dictionary of Marxist Thought* edited by Tom Bottomore [Bot83]. Since Marx's thought is closely related to critical realism, I can also recommend the two books *Critical Realism: An Introduction to Roy Bhaskar's Philosophy* by Andrew Collier [Col94], and *A Realist Philosophy of Social Science: Explanation and Understanding* by Peter Manicas [Man06].

Class Goal

The purpose of the course is a close reading and collective discussion of Karl Marx's famous indictment of capitalist society, *Capital*. Although *Capital* was first published 130 years ago, it covers many issues relevant and debated today. Marx's analysis does not get much exposure in modern mainstream economics, not because it is wrong, but because it is critical of the capitalist system. The recent collapse of most socialist regimes does not invalidate Marx's *Capital*, which is a theory of capitalism, not socialism. Indeed, recent developments in capitalism have re-kindled interest in Marx. The scientific method employed in *Capital* may seem unfamiliar but is by no means outdated; Marx's method is a serious contender in the modern philosophical debates around “realism,” and the various critiques of “positivism.”

If this class is successful, you will collect experiences reading a difficult philosophical text, become acquainted with an alternative approach to social sciences, and gain new perspectives on contemporary capitalist society. While discussing gripping social, economic, and philosophical questions, you also have the opportunity to co-operate with others and polish your internet skills.

You should be aware that Marxism is an embattled theory, which is sometimes met with hostility. It may hurt your employment prospects if you have too many Marxist classes on your transcript, and participants who intend to apply for US citizenship should be especially cautious.

C. Syllabus Fall 2010

Format of the Class

Time and Location of Classroom Sessions In Fall 2010, the class is taught in two sections, a day section 5080-001 resp. 6080-001 and an evening section 5080-002 resp. 6080-002. The day section meets Fridays 10:45–11:35 am in **BUC** (Business Classroom Building) 105, and the evening section Tuesdays 6–6:50 pm in **OSH** 113. All assignments are open for participants in both sections. It does not really matter which section you enroll for, but since there are two sections you have more flexibility with class meetings and exams.

Attendance Requirements Since the main class interactions take place by email, attendance at these class meetings is *voluntary* for everybody after they have successfully submitted their first homework contribution, with the following exceptions:

- Attendance is required for the third class session of the Semester, either the evening session on Tuesday, **Sep 7** at 6 pm, or the day session on Friday, **Sep 10** at 10:45 am. Hans will discuss important technical issues about writing and internet etiquette.
- Attendance is required for the two in-class exams. The evening section exams are on Tuesday, **Sep 28** and Tuesday, **Nov 23**, both at 6 pm, and the day section exams are on Friday, **Oct 1** and Friday, **Nov 19**, both at 10:45 am.

For a careful reader of the class notes and participant in the email discussion, attendance in class should not be necessary. It is nevertheless recommended that you sometimes visit class. Written material can be brought to life and put into perspective by talking about it. You may attend either the day class on Fridays or the evening class on Tuesdays or both if you wish. Hans will try to make audio recordings of his classes (no guarantee that all of them succeed) and make them available for download at <http://marx.econ.utah.edu/das-kapital/audio/2010fa/index.html>. This allows you to listen to the class sessions on your own schedule.

Homeworks On pages **655–661** below you find a schedule of the homework assignments. Each participant must only submit five written answers over the course of the Semester, but these answers must be thoughtful and well executed. Your answers are forwarded to everybody in class, with the identity of the author protected by a pseudonym, and you will get detailed feedback from the instructor and from others in class.

Your homeworks will be graded, and if you give explicit permission, these grades will be public, so that everyone who reads your contribution in the archives also sees the grade it has earned. This grade will never be associated with your name, since only your pseudonym, not your name, is visible in the email sent out to the class and in the archive. There is no requirement that you allow your grades to be made public, not even the presumption that you ought to give this permission; it is a completely voluntary option on your part, which you may also revoke again at any time.

You are expected to access your computer several times a week in order to read your email, and to participate in the email discussion. There are no pre-set times *when* you have to be at your computer; you can do so on your own schedule. However you must read the same material in the same week as all other participants in the class, in order to discuss these readings with them on the internet. You must access the computer more than just once or twice per week, because otherwise the amount of mail accumulated in your mailbox will be overwhelming. Hans may send random emails out just to test how long it takes you to

C.1. General Info about this Class

respond. The format of this class presupposes that you have easy access to electronic mail, either from home, workplace, or school.

Class Materials You need the August 2010 edition of Hans Ehrbar's *Annotations to Karl Marx's 'Capital'*, containing Hans's own translation of selected passages of *Capital*, with detailed notes and Study Questions, which also has the syllabus for this class in the Appendix. You can buy your copy at the University Copy Center on main campus, at 158 Union Building, tel. 801 587 7928. The Copy Center is open 7:30 am – 6 pm Monday through Friday. Last year's copy will not do; there are so many changes (and Hans hopes improvements) between each print run that it is well worth while getting the latest edition.

The Annotations contain the assigned passages of Marx's text in full. Volume One of Karl Marx's *Capital* is therefore only an *optional* textbook. It would be to your advantage to either use the Vintage edition [Mar76] ISBN 0-394-72657-X (which is identical to the Penguin edition ISBN 0-14-044568-4), or the German-language edition [Mar62], because the page references in the Annotations refer to these two editions. It is useful for the term paper to have your own paper copy of Marx's *Capital* since the chapters about which you have to write term papers are not in the Annotations. Your own paper copy also allows you to read Marx's text in one piece, not interrupted by interpretations and study questions. The easiest method to acquire Marx's *Capital* is to use the bilingual [cap1.pdf](#) available in the collection of pdf files for this class, or to download it in html from the Marxists Internet Archive www.marxists.org. But Hans thinks that reading and understanding a text on the computer screen is more difficult than having a printed version.

You must also download a number of pdf files to your computer, including a pdf copy of the Annotations. The pdf files have live links which allow you to follow cross references in the document with a click of the mouse. Detailed downloading instructions are on p. 671 below, and also on the class home page marx.econ.utah.edu/das-kapital/index.html.

Since this course meets the communications and writing requirement, some resources about internet etiquette and writing are assembled at <http://marx.econ.utah.edu/das-kapital/netiquette.html>.

Transcripts of the class email discussion are accessible through the class home page <http://marx.econ.utah.edu/das-kapital/index.html>. It is recommended that before doing any homework questions you download the latest version of the typeset transcript of the current class discussion in pdf from <http://marx.econ.utah.edu/das-kapital/pdf/screen/2010fa.pdf> or <http://marx.econ.utah.edu/das-kapital/pdf/halfpage/2010fa.pdf> or <http://marx.econ.utah.edu/das-kapital/pdf/print/2010fa.pdf>. The web site and/or the pdf are important tools for doing your own homework. They contain, in a well-organized form, all the emails sent out the everybody in the class, and even show comments sent by the instructor to the authors of the messages which were never disseminated by email. They have relevant links into the *Annotations* and the transcripts of past class discussions.

One week before each of the two in-class Exams, the Copy Center will also sell printed collections of all the submitted homeworks, in order to make it easier for you to prepare for the Exams. They will be called *Econ 5080 Questions and Answers*, Installments 1 and 2. You will be able to download these collections from the [class home page](#) as well.

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No Final Exam There will be no Final Exam. This class is fairly labor intensive, but the heaviest work load is early in the Semester.

Special Circumstances The University of Utah seeks to provide equal access to its programs, services, and activities for people with disabilities. If you will need accommodation in this class, reasonable prior notice needs to be given to the instructor and to the Center for Disability Services, <http://disability.utah.edu/>, 162 Olpin Union Building, 581 5020 to make arrangements for the kind of accommodation you need. If your personal circumstances call for a modification of the class requirements in order to receive a fair treatment, please see Hans in his office hour on or before Tuesday, Sep 7.

C.2. Schedule of Homework Assignments

This section contains a week-by-week calendar of the topics covered in class and your assignments. Every week you should consult the current entries so that you won't miss any assignments.

While reading the specific rules in the homework schedule below, you should be aware of the following general rules:

- Both day and evening classes are listed here. It does not matter for which class you are enrolled, the email assignments and everything else are the same.
- Homeworks will only be accepted during the three or four days when they are due.
- Not all your submissions are necessarily graded; you can also make "ungraded" submissions for which you get feedback and, if appropriate, an informational grade which does not enter the GPA calculation determining your final grade. In order to designate a submission as ungraded, add ug after the question number.
- If you make more than one submission in the same homework period, your grade for this homework period will be the average of the individual grades.
- After sending in a homework answer, you have to wait until you get feedback and a grade from Hans before you can submit your next homework answer. But this waiting time will not be more than 24 hours; after 24 hours you are free to make your next submission even if you have not yet received a grade.
- Questions labeled "exam question" are accepted, but they always count as ungraded submissions. They are usually too easy for homeworks.
- You must make at least two homework submissions in two different homework periods before the first exam and another two between the first and second exam. If you made fewer than two submissions before the first exam, you must make up for them by the second exam, i.e., there is also the requirement that you need at least four submissions in four different homework periods between the beginning of the Semester and the second exam.
- In addition to the five homework answers, each participant also has to make four contributions to a free discussion, in which everything can be discussed. This discussion

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takes place on the same mailing list using question number 888, which is always accepted. In order to keep track of this, every participant is assigned to one of three shifts. Your shift number is given in almost every email you receive from Hans. The deadlines which you have to meet are staggered according to shift number. If you are in shift 1, then you must make your first free discussion contribution to das-kapital on or before Sunday, Sep 12, and if you are in shift 2 or 3, this deadline is 1 or 2 weeks later. After this first deadline, shift 1 must make at least one submission between Monday, Sep 13 and Sunday Oct 3, with the deadlines for the other shifts staggered by one or two weeks again, etc. Here are links to the third deadline for shift 1, 2, 3, and the fourth deadline for shift 1, 2, 3.

Evening session Tuesday, Aug 24, 6 pm: Discussion of the format of the class, slides at <http://marx.econ.utah.edu/das-kapital/econ5080.pdf>. Hans will also summarize very briefly the main differences between Marx's approach and the method of mainstream social sciences.

Things Everyone has to do Between their First and Second Class Sessions

As soon as possible at the beginning of the Semester (indeed you may do this before the Semester officially begins, as soon the August 2010 edition of this syllabus is available), you should go through the four steps which tie your email accounts into this class, as described on p. 649 above.

Mon Aug 23–Thu Aug 26 w1 Between Monday, Aug 23 and Thursday, Aug 26, the reading assignment is section 1.1.a: [The Commodity as Natural Object and Use-Value], pp. 125–126:1 in *Capital*, pp. 1–17 in the Annotations. You should also consult appendices A and B for this. During this time, you may submit per e-mail an answer to one of questions 6–58 or 922–926. If you would like to have a trial run, you should type ug after the question number in your submission; in this case, Hans will read your homeworks carefully and give you feedback over email, and tell you what grade you would have received, but this grade will not be counted. This option is always open to you, not only in the first week; see page 662.

Day session Friday, Aug 27, 10:45 am w1 Hans will explain the format of the class for the day class, with *slides*. He will also discuss the topic covered in Assignment w1: Why begin with the commodity? The class always discusses the material right *after* the study questions for it were assigned as homeworks.

Fri Aug 27–Mon Aug 30 W1 Reading assignment is section 1.1.b: [From Exchange-Value to Value], pp. 126:2–127:3 in *Capital*, 17–26 in the Annotations. This is an important section. Between Aug 27 and Aug 30, you may submit per e-mail an answer to one of questions 62–77.

Evening session Tuesday, Aug 31, 6 pm W1: We will discuss the material covered in Assignment W1: the Sherlock-Holmes approach to uncovering hidden economic structures.

Tue Aug 31–Thu Sep 2 w2 Read section 1.1.c: [From Value to Labor], pp. 127:4–128:3 in *Capital*, 26–37 in the Annotations. Between Aug 31 and Sep 2, questions 79–94 are assigned.

Last Day to Drop (Delete) Classes is Wednesday Sep 1

Day session Friday, Sep 3, 10:45 am w2: We will discuss the material covered in Assignment w2: How can prices be governed by labor content, if most market participants have no idea how much labor is in the things they trade?

Fri Sep 3–Tue Sep 7, 6 pm W2 Read section 1.1.d: [The Quantity of Value and Individual Differences], pp. 128:4–131:1 in *Capital*, 37–49 in the Annotations. Between Sep 3 and Sep

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7, 6 pm, questions 96–113 are assigned. Because of the Labor Day weekend, this homework period is extended until Tuesday 6 pm; usually the homework periods end at 3 am (3 hours after midnight).

Evening session Tuesday Sep 7, 6 pm w2: It seems only fair that those who work at a slower pace get paid less. But is it? This is a mandatory session for the evening class. Hans will also talk about Internet etiquette and the technicalities of email discussions. This is also a good early opportunity to find partners for your term paper group.

Tue Sep 7, 6 pm–Thu Sep 9 w3 Read section 1.2: *The Double Character of Labor Represented in Commodities*, pp. 131:2–137 in *Capital*, 50–70 in the Annotations. Between Sep 7, 6 pm, and Sep 9, questions 115–154 are assigned.

Day session Friday, Sep 10, 10:45 am w3: Marx explains why production in capitalism is drudgery and oppression rather than the joyful expansion of the worker's horizons. This is a mandatory session for the day class. Hans will also discuss Internet etiquette and the technicalities of email discussions. This is also a good early opportunity to find partners for your term paper group.

Fri Sep 10–Mon Sep 13 W3 Read the first half of section 1.3: *The Form of Value or Exchange-Value*, until the end of 1.3.A, i.e., pp. 138:1–154:3 in *Capital*, 70–127 in the Annotations. Between Sep 10 and Sep 13, questions 155–259 are assigned. Members of the *first* shift must have made their first contribution to the free discussion (Question 888) by the end of Sunday, Sep 12.

Evening session Tuesday, Sep 14, 6 pm w3 Elements of the relation between money and commodities can already be found in the relation between two commodities.

Tue Sep 14–Thu Sep 16 w4 Read sections 1.3.B–1.3.D: *The Expanded Form of Value, General Form of Value, and Money Form*, pp. 154:4–163:2 in *Capital*, 127–146 in the Annotations. Between Sep 14 and Sep 16, questions 261–276 are assigned. If you haven't made a homework submission yet, it is highly recommended to make one now. Every participant must make two submissions before the exam, and there is only one week left, since the days immediately before the exam are reserved for exam preparation.

Day session Friday, Sep 17, 10:45 am w4 The genesis of money out of the commodity. What is "dialectics," and does it have a place in economics?

Fri Sep 17–Mon Sep 20 W4 Read the first half of section 1.4: *The Fetish-Like Character of the Commodity and its Secret*, until the end of 1.4.b, i.e., pp. 163:3–166:1 in *Capital*, 146–168 in the Annotations. Between Sep 17 and Sep 20, questions 278–313 are assigned. If you haven't made a homework submission yet, you must make one in this homework period, and one between Tuesday Sep 21 and Thursday Sep 23. Members of the *second* shift must have made their first contribution to the free discussion (Question 888) by the end of Sunday, Sep 19.

Evening session Tuesday, Sep 21, 6 pm w4 How did it happen that social control slipped away from the individuals, and can anything be done about it?

Tue Sep 21–Thu Sep 23 w5 Read the second half of section 1.4: *The Fetish-Like Character of the Commodity and its Secret*, i.e., pp. 166:2–177:4 in *Capital*, 169–191 in the Annotations. Between Sep 21 and Sep 23, questions 318–351 are assigned. Everyone must have made two homework assignments before the first exam, this is your last opportunity to get one in, since the extra credit submissions do not count for this requirement. Members of the *third* shift must have made their first contribution to the free discussion (Question 888) by the end of Sunday, Sep 26.

Day session Friday, Sep 24, 10:45 am w5 Hans will discuss commodity fetishism. Hans will also give an overview of the whole first chapter, in preparation for the first exam. A

C.2. Schedule of Homework Assignments

typeset collection of all submitted answers to questions 6–351 and 922–926, called *Econ 5080 Questions and Answers, Installment 1*, will be available at the class home page <http://marx.econ.utah.edu/das-kapital/index.html>, and at the University Copy Center, 158 Union Building, hopefully in time for you to pick up at the beginning of class on Sep 24. You need this in order to prepare for the first Exam.

Fri Sep 24–Mon Sep 27, 6 pm X1 In preparation of the exam on Tuesday, Sep 28 or Friday, Oct 1, you should work through the collection of questions and answers called *Econ 5080 Questions and Answers, Installment 1*, and try to clarify any issues left unresolved in the class discussion. Hans would like you to do this publicly rather than privately, therefore he gives you the opportunity to earn a *riskfree extra-credit grade*: Take one of the questions assigned for the exam (i.e., it must either be printed in *Installment 1* or it must be labeled *Exam Question* in the Annotations) and submit a final answer to this question, which reflects all the email discussion about this question and draws the “right” conclusion from this discussion. You will receive a grade for this submission, which enters the computation of your homework average, but if it turns out that this grade hurts your overall grade for this class, Hans will not count it. In other words, you cannot lose! The purpose of this extra credit homework is to resolve questions which *Installment 1* may have left unclear. If *Installment 1* already has a clearly recognizable correct answer, then a resubmission of this answer does not meet the criteria of the extra-credit assignment and its grade will therefore not be counted at all. The extra-credit grade does not count as one of your five obligatory homeworks, i.e., you still need to answer five ordinary homework questions in addition to it, and the extra credit submissions will not be counted for your deadlines involving regular homeworks. They must be truly additional work. This offer will be repeated for the second exam. If you submit more than one extra credit homework, the average grade will be taken. Submissions for the first exam must be made between Friday, Sep 24, 3 am, and Monday, Sep 27, 6 pm, which leaves 24 hours before the exam on Tuesday for Hans to respond and for others to read everything.

Evening session Tuesday, Sep 28, 6 pm First *Exam* for the evening class. If you are in the day class and want to take the exam already now, you are free to switch. If you are in the evening class and want to take the exam on Friday, you are free to switch, but if you switch now, you also have to switch in the second exam. Conversely, if you are in the day class and plan to switch in the second exam, you must switch now as well. Here is the logic behind this. The evening class takes the first exam before the day class, and the second exam after the day class. Hans does not want you to take both exams at the later of the two possible dates. Therefore Hans’s computer will dock your second exam grade ten percent if you take the first exam in the day class and the second exam in the evening class. Every other combination is ok. Note that the deadline for term paper groups is approaching. Friday, Oct 1, the exam day for the day class, is the deadline for registering your term paper group with Hans by emailing him the pseudonyms of all group members and the name of the group.

Mon Sep 27, 6 pm–Thu Sep 30 Between Sep 28 and Sep 30, no homework questions will be accepted, but those who took the exam on Tuesday can already resubmit their exam answers, see p. 670 for more details. (These resubmissions will not be forwarded to others in the class.) Members of the *first* shift must make at least one contribution to the free discussion (Question 888) between Monday, Sep 13 and Sunday, Oct 3.

Day session Friday, Oct 1, 10:45 am First *Exam* for the day class. See comments made for Tuesday, *Sep 28*. Today is the deadline for registering your term paper group with Hans by emailing him the pseudonyms of all group members and the name of the group.

Fri Oct 1–Mon Oct 4 W6 Read chapter 2: *The Exchange Process*, pp. 178–187 in *Capital*,

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192–215 in the Annotations. Between Oct 1 and Oct 4, questions 354–408 are assigned. Again: do not forget to resubmit your exam answers; you have to resubmit them even if you don't wish to change them.

Evening session Tuesday, Oct 5, 6 pm W6 What is wrong with private property?

Tue Oct 5–Thu Oct 7 w7 Read section 3.1 of *chapter 3: Money*, pp. 188:1–198:1 in *Capital*, 216–240 in the Annotations. Between Oct 5 and Oct 7, questions 410–439 are assigned. Those who want to write their term papers at the earliest possible time may submit an essay comparing chapters 1 and 2 in *Capital* with chapter 1 in Marx's 1859 *Contribution to the Critique of Political Economy*, pp. 269–302. This is volume 29 of the Marx Engels Collected Works, available on reserve and also in the [Marxists Internet Archive](#), or as a pdf-file with Hans's very preliminary Annotations in the collection of pdf files to be downloaded from the class home page. Use question number 924 for this term paper. This particular term paper is recommended only for those who already have good knowledge of Marx. On Wednesday, Oct 6, 3 am, all *exam resubmissions* will be published on the [www](#). If you make your resubmission after this, there will be a grade penalty, and you are expected to use the other resubmissions and Hans's comments in order to correct any mistakes you may have made in your in-class answer.

Day session Friday, Oct 8, 10:45 am w7 The function of money as measure of value—its most important function, which is often overlooked by neoclassical economists.

Fall Break Monday Oct 11–Saturday Oct 16

Fri Oct 8–Mon Oct 18 W8 Read section 3.2.a in chapter Three: *Medium of Circulation: the Metamorphosis of the Commodity*, pp. 188–209:1 in *Capital*, 240–266 in the Annotations. Between Oct 8 and Oct 18, questions 440–466 are assigned. And discussions about the first term paper are invited. For the termpaper discussion always use the question number of the termpaper itself, i.e., use question number 924. Term paper discussions should be written in such a way that they are useful for the writer of the term paper as well as for the other readers.

Evening session Tuesday, Oct 19, 6 pm W8 The sale of a commodity is not a barter between that commodity and gold, but the value in that commodity changes its form from a particular use-value into the money form; it is that commodity's "salto mortale."

Tue Oct 19–Thu Oct 21 w9 Read section 3.3 of *chapter 3: Money*, pp. 244:1–277:1 in *Capital*, 266–290 in the Annotations. Between Oct 19 and Oct 21, questions 471–489 are assigned. And you may submit a term paper discussing one of those two portions of chapter Three that were not assigned, i.e., either section 3.2.b, *The Flow of Money* (use question Number 468 for this), or section 3.2.c, *Coins and Symbols of Value* (question number 470). You may also compare the discussions of money in *Capital* and *Contribution*, under question number 491. Members of the *third* shift must make at least one contribution to the free discussion (Question 888) between Monday, Sep 27 and Sunday, Oct 24.

Day session Friday, Oct 22, 10:45 am w9 Money, the independent form of value. Marx already knew that money, although it is only the social representation of wealth, is considered more important than real wealth. Due to climate change, the hunt for symbolic wealth at the expense of real wealth has become suicidal.

Last Day to Withdraw from Classes is Friday, Oct 22

Fri Oct 22–Mon Oct 25 W9 Read *chapter 4: The General Formula for Capital*, pp. 247–257 in *Capital*, 291–318 in the Annotations. Between Oct 22 and Oct 25, questions 492–527 are assigned. And discussion contributions to Term Papers 468, 470, or 491 are accepted, which should be submitted under the same question numbers as the term papers you are discussing.

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Evening session Tuesday, Oct 26, 6 pm W9 Capital, the virus which subordinates social production to its own mindless drive for expansion.

Tue Oct 26–Thu Oct 28 wa Read chapter 5: *Contradictions of the General Formula*, and chapter 6: *The Sale and Purchase of Labor-Power*, pp. 258–280 in *Capital*, 319–361 in the Annotations. Between Oct 26 and Oct 28, questions 528–596 are assigned. And you may submit a term paper about chapters Eight, question number 599, or Nine, question number 600. Members of the *first* shift must make at least one contribution to the free discussion (Question 888) between Monday, Oct 4 and Sunday, Oct 31.

Day session Friday, Oct 29, 10:45 am wa The origin of profits seems mysterious, even contradictory. Marx shows here that wage-labor is the source of profits and of all the apparent vitality of capital.

Fri Oct 29–Mon Nov 1 Wa Read chapter 7: *Labor Process and Valorization Process*, pp. 283–306 in *Capital*, 362–405 in the Annotations. Between Oct 29 and Nov 1, questions 601–626 are assigned, and discussions of the term papers 599 and 600 are invited; as always, use the question number of the term paper itself.

Evening session Tuesday, Nov 2, 6 pm Wa How the profit motive transforms the labor process.

Tue Nov 2–Thu Nov 4 wb Read chapter 10: *The Working Day*, first, second, and fifth sections, pp. 340:1–353:0 and 375–389:1 in *Capital*, pp. 406–430 in the Annotations. Between Nov 2 and Nov 4, questions 627–674 are assigned. You have to make at least two homework submissions between the first and second exam. If you haven't made a submission since the first exam yet, now is the time, the entry for Tuesday Sep 14–Thursday Sep 16 explains why. Term papers will be accepted about parts of chapter Ten which are not covered in the readings. Use question number 666 for this. You may also write an essay about term paper topic 667. Members of the *second* shift must make at least one contribution to the free discussion (Question 888) between Monday, Oct 18 and Sunday, Nov 7.

Day session Friday, Nov 5, 10:45 am wb Which economic laws determine the length of the working day?

Fri Nov 5–Mon Nov 8 Wb Read chapter 12: *The Concept of Relative Surplus-Value*, pp. 429–438 in *Capital*, 431–453 in the Annotations. Between Nov 5 and Nov 8, questions 677–700 are assigned. Besides, comments about term papers 666 and 667 are invited, as always use the same question number as the term paper discussed.

Evening session Tuesday, Nov 9, 6 pm Wb Capitalism's historic mission of expanding the productivity of human labor.

Tue Nov 9–Thu Nov 11 wc Read chapter 19: *The Transformation of the Value of Labor-Power into the Wage of Labor*, pp. 675–682 in *Capital*, 454–478 in the Annotations. Between Nov 9 and Nov 11, questions 710–751 are assigned. Besides, term papers about chapters 11, 13 or 14 will be accepted, question numbers 702, 703 or 704, or the more general term paper 701. Members of the *third* shift must make at least one contribution to the free discussion (Question 888) between Monday, Oct 25 and Sunday, Nov 14.

Day session Friday, Nov 12, 10:45 am wc Why capitalist exploitation is “invisible”—and why “working more” is not a good strategy for getting rich.

Fri Nov 12–Mon Nov 15 Wc Read chapters 20: *Time Wages* and 21: *Piece Wages*, pp. 683:1–700:1 in *Capital*, 479–511 in the Annotations. Between Nov 12 and Nov 15, Questions 754–783 are assigned. Also, discussion about the term papers 701, 702, 703, and 704 are invited, use the same question number. Remember that every student must make two homework submissions between the first and second exam. This is your last opportunity to get one in, since the extra credit submissions do not count for this requirement.

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Evening session Tuesday, Nov 16, 6 pm We The tendency to decrease wages and extend the workday is built into the wage form. A typeset collection of all submitted answers to questions 354–783, called *Econ 5080 Questions and Answers, Installment 2*, will be available on the [www](#) and at the University Copy Center, hopefully in time for you to pick up at the beginning of class on Nov 16. This will be useful for preparing the second Exam.

Tue Nov 16–Thu Nov 18, 10:45 am x2 Between Tuesday and Thursday you have time to work through the Collection of Questions and Answers, in preparation of the second exam. This is the second opportunity to earn a riskfree extra-credit grade. Take one of the questions assigned for the exam (i.e., it must either be in *Installment 2* or it must be labeled *Exam Question* in the Study Guide) and submit a final “right” answer to this question which reflects your best thinking and all the email discussion about this question. You will receive a grade for your attempt, but if it turns out that this grade will hurt your overall grade for this class, Hans will not count it. This grade does not count as one of your five obligatory homeworks, i.e., you still need to answer five ordinary homework questions in addition to this. If you submit more than one extra credit homework, the average over both exams will be taken. Submissions must be made between Tuesday, Nov 16, 3 am and Thursday, Nov 18, 10:45 am. Members of the *first* shift must make at least one contribution to the free discussion (Question 888) between Monday, Nov 1 and Sunday, Nov 21.

Day session Friday, Nov 19, 10:45 am Second Exam for the day class. Remember, Hans does not want you to take both exams at the later of the two scheduled dates. If you took the first exam during the day then you must take the second exam already now. Otherwise you have a choice whether you want to take the second exam now or on Tuesday, Nov 23, 6 pm.

Thu Nov 18, 10:45 am–Mon Nov 22 Between Nov 19 and Nov 22, no homework questions will be accepted. Those who took the exam on Friday can already resubmit their exam answers, see p. 670 for more details. (These resubmissions will not be forwarded to others in the class.)

Evening session Tuesday, Nov 23, 6 pm Second Exam for the evening class.

Tue Nov 23–Mon Nov 29 We Read chapter 23: *Simple Reproduction*, pp. 711–724:1 in *Capital*, 512–534 in the Annotations. Between Nov 23 and Nov 29, questions 785–810 are assigned. And you may submit a term paper about chapter 15 (either the whole chapter or some sections of it), question number 705. Alternatively, you may choose chapters 16, 17, or 18, using question numbers 706, 707, or 708. You may also answer question 687 as a term paper. Again: do not forget to resubmit the exam.

Friday, Nov 26 No Class because of Thanksgiving Break

Evening session Tuesday, Nov 30, 6 pm We One can only see the truth of capitalist relations if one looks at it as an ongoing process. Instantaneous snapshots are misleading.

Tue Nov 30–Thu Dec 2 wf Read chapter 24: *Transformation of Surplus-Value into Capital*, pp. 725–746:0 in *Capital*, 535–566 in the Annotations. Between Nov 30 and Dec 2, questions 816–837 are assigned. And discussions of term paper 687, 705, 706, 707, and 708 will be accepted, submit them under the same question number. All exam resubmissions go on the [www](#) on Wednesday, Dec 1, 3 am. If you submit your resubmission after this, there will be a grade penalty, and you are expected to use the other resubmissions and Hans’s comments in order to correct any mistakes you may have made in your in-class answer. Members of the *third* shift must make at least one contribution to the free discussion (Question 888) between Monday, Nov 15 and Sunday, Dec 5.

Day session Friday, Dec 3, 10:45 am wf Conversion of Surplus-Value into Capital.

Fri Dec 3–Mon Dec 6 Wf Read chapter 25: *The General Law of Capitalist Accumulation*, section 25.1, pp. 762–781:0 in *Capital*, 567–586 in the Annotations. Between Dec 3 and

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Dec 6, questions 838–863 are assigned. And term papers about chapters 26, 32, and 33 are accepted. Use the question numbers 811, 812, and 813. You may also submit a term paper about the broader topics 814, 815, 920, or 464, or one of the research topics 747, 760, or 865. There is also the difficult methodological question 5. This is the last opportunity to submit a term paper!

Evening session Tuesday, Dec 7, 6 pm Wf Those phases in capitalist growth in which demand for labor grows and wages rise.

Tue Dec 7–Thu Dec 9 wg Read chapter 25: *The General Law of Capitalist Accumulation*, section 25.2–25.4, pp. 781:1–802:1 in *Capital*, 586–638 in the Annotations. Between Dec 7 and Dec 9, questions 866–921 are assigned. Discussions of term papers 5, 464, 760, 747, 811, 812, 813, 865, and 814, 815 or 920 are accepted as well. As always, use the same question number. Everybody who missed one of the three-weekly deadlines for the free discussion (Question 888) can make up for it by a submission between his or her fourth deadline and Thursday, Dec 9.

Day session Friday, Dec 10, 10:45 am wg By replacing workers with machinery, capitalism creates unemployment and depresses wages. The working class is forced to build its own economic prison. Unemployment and crises as systemic features of capitalism. This is the last day of the Semester. No homeworks, term papers, or exam resubmissions are accepted after Thursday, Dec 9.

C.3. The Class Email List

Your first assignment at the beginning of the Semester is (1) to subscribe to the das-kapital mailing list, (2) to configure your subscription email account so that it sends plain text emails without attachments, and (3) to send a simple email message to that mailing list. Here are the details:

(1) Mailing List Subscription Visit the web site <http://marx.econ.utah.edu/mailman/listinfo/das-kapital> and subscribe your email address to the das-kapital mailing list. It does not have to be your umail address, any email address will do. At the same time you must choose a pseudonym for yourself. It must consist of one word only, capitalized, only letters. Your pseudonym may not contain numbers, hyphens, or underscores etc.

(2) Configure your Email Program Modern email programs allow you to send html emails so that you can switch fonts and colors etc. This creates problems for mailing list archives. You must configure your emailer so that it sends plain text messages without attachments.

(3) First Email After this you must send an email to the mailing list das-kapital@marx.econ.utah.edu which has no attachments and which has just one line in its body with the following text: ::Q: 998 if you want your grades to be private, and ::Q: 999 if you give permission that your grades be publicized in the archives. In response to this email you will get a report which assigns you to one of three “shifts” with staggered deadlines for your submissions to the free discussion, more about which below. In subsequent submissions of homework answers or free discussion pieces, there is no need to give your

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pseudonym or any of the other personal information. You also do not need to type the text of the question you are answering into the email. Instead, the first line of your email *must* for instance read : :Q: 77 if you are answering question number 77. All these submission must be sent to das-kapital@marx.econ.utah.edu, and they will only be accepted if sent from an address subscribed to das-kapital.

Deadline These three steps must be completed by your second class session, i.e., by Tuesday, [Aug 31](#), 6 pm for those in the evening class, and Friday, [Sep 3](#), 10:45 am for those in the day class. It is to your advantage to do them as soon as possible at the beginning of the Semester, for several reasons:

- After you have subscribed to the email list and successfully submitted your first homework answer, attendance at the in-class sessions (other than the third session) is voluntary.
- After you have subscribed to the email list, an account will be created for you at the interactive class web site <http://marx.econ.utah.edu:5080/Plone> in which you can see what is currently assigned, what your grades are, and where you can co-operate with others on your term papers.
- At the beginning, Hans's grading is more lenient than later on in the class.
- If you wait too long, you may miss some of the deadlines which ensure continuous participation.

C.4. Homework Questions

The Semester is divided into 23 so-called homework periods, either lasting three days from Tuesday to Thursday, or four days from Friday to Monday. During each homework period, certain questions listed in the Annotations are assigned as graded homeworks. In at least five of these homework periods, you have to select one of these questions and submit a well thought-out and well formulated answer. Usually it is to your advantage to submit answers not in five but six homework periods, because if you do more than five, Hans will drop the homework period with the lowest grade when calculating the GPA for the homeworks. You can choose which assignments you want to do, but you need to meet the list of requirements beginning on p. [655](#).

In each homework assignment you will have a large number of questions to choose from. In your submission you must select *one* of the assigned questions and email a carefully thought-out and well-formulated answer to the class email address

das-kapital@marx.econ.utah.edu

There are usually two homework assignment in each week. For the first assignment, submissions are accepted on Tuesday, Wednesday, and Thursday, and they are discussed in class on Friday. For the second assignment, submission are accepted on Friday, Saturday, Sunday, and Monday, and they are discussed in class on Tuesday. (But you don't have to be enrolled in the Tuesday-class to make submissions on Friday, Saturday, Sunday, and Monday. All homework periods are open to all class participants, regardless of the section.

Timeliness of the submissions

In order to prevent a situation in which everybody sends his or her answers on the evening of the last day this homework is assigned, *you are required to send the homework answers on the average one day prior to the deadline*. For instance, 6 answers of which 3 are sent on Thursdays or Mondays (i.e., zero days before the deadline) and 3 on Tuesdays or Saturdays (i.e., two days before the deadline) are acceptable, or 2 on Thursdays or Mondays (i.e., zero days before the deadline) and 2 on Wednesdays or Thursdays (one day before the deadline) and 2 on Tuesdays or Saturdays (i.e., two days before the deadline), etc. In order to maintain equality between the assignments at the beginning of the week and those at the end, submissions on Fridays are counted as 2 days in advance instead of 3.

There is also an extra-credit assignment associated with the preparation for the exams. Details are given in the Schedule of Homeworks.

CW Requirement

By attending Econ 5080 you are meeting the communications/writing requirement. Upon completion of such a *writing-intensive* course, the student should have:

- *Learned to speak and/or write critically.*

In Econ 5080, students not only learn to understand Marx's argumentation in *Capital*, but at the same acquire tools that enable them to better understand the society they live in. The capitalist system indoctrinates its population and generates pro-capitalist biases—simply by *not* teaching some of the cognitive tools necessary to properly understand society. Econ 5080 tries to be an antidote to this. It gives the opportunity to question some very basic assumptions which permeate modern social sciences: methodological individualism or other forms of reductionism, the fact-value dichotomy, flat empirical realism rather than depth realism, de-totalization, and the failure to recognize contradictions. The student is confronted with these issues because Marx's text can only be understood if one makes oneself aware of these issues.

- *Used multiple forms of writing and communication.*

The main interaction in the course is written, by email, because the methodological issues addressed in the first point can be worked out better in a written rather than spoken communication. Besides the homework emails, the students also have to hand-write essay answers during the exams, and they co-operate in teams on the term papers for which they can use an interactive web site. Finally, they have the opportunity to discuss the issues in class, and they can also add comments to the web archives. There is emphasis on co-operation and team work. Students are not simply asked to deliver certain homework assignments to the instructor on an individual basis, but they are participating in a community of learning. They are asked to consider the impact of their actions on others. Part of their grade reflects whether they behave as good citizens in that community.

- *Revised their work more than once, based on feedback.*

In this class, the students receive a lot of careful feedback. Some of the main issues of concern are not individual issues, but the students are trying to recognize and liberate themselves from an indoctrination which they all share. This is why the students

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receive in their email inboxes the homeworks of their peers as well as the feedback the instructor gives to their peers. Much of what their peers write could also have been written by them themselves, therefore they learn from the feedback their peers receive. As the instructor, I can justify the large amount of time spent on this feedback because this feedback is seen by more than one student.

The participation in the homework mailing list is a continuous process of feedback and learning. But the students are not required to revise their work more than once based on the feedback they receive. It would be counterproductive to ask them to do this, since the issues are quite subtle, and it is easy to lose the broader perspectives if one concentrates too much on one answer or one specific situation.

The situation is different with the term papers. Before officially submitting their term papers to the homework mailing list, students have the opportunity to privately submit the papers to the instructor and thus get one first round of feedback. Then, after the term papers are submitted to the class, they will receive feedback from other students to their term papers. The authors of the term papers are encouraged to use the peer feedback to their term papers in order to improve their grades. Their term papers are graded at the very end of the discussion, so that their responses to the feedback of their peers can be considered in their term paper grades. These responses to the term paper discussions can be considered a second round of revision of their original work.

- *Received direct instruction (“direct instruction” refers to codified discreet content presented formally to all students) in improving his or her writing and communicating.*

In the third week of the class a special in-class session is devoted to the stylistic requirements and technicalities of the email discussion, internet etiquette, how to prepare and edit an email submission, how to use the computer to check for typos etc. A simple yet excellent primer about this is [AH94], it is available at the reserve desk of the computer lab in the library. The homework discussions, which can be found in the archives, also occasionally touch on the technical points of internet discussion. On issue which comes up often is how to fruitfully interact with your peers even if you are critical of them. In [1997WI:275] the instructor Hans said the following about criticizing one's peers: “Being critical in a constructive manner, without a putdown, without nitpicking, and without the attempt to shine at the expense of others, is a skill worth learning.” [2003fa:126] is an excellent example of peer feedback. Hans commented on it in [2003fa:133]. There are many other instances in the archives, look at [1997ut:71] etc. Furthermore, in some cases when the writing style needed improvement, the original submission is visible on the web side-by-side with an edited version. See [2005fa:69] and [2005fa:119] as examples.

- *Received a final grade that is based, in large part, on their ability to communicate in writing or orally.*

The grades received by the students consist of two parts: a letter grade for the content of their work, and a percentage which may be less than 100 percent for the form of their work. For more details turn to p. 672 below.

- *Adapted his or her speaking and writing to different audiences, including those who are familiar and unfamiliar with their discipline.*

Students participate in two different email discussions, the homework submissions which are tightly regulated and moderated, and the free discussion, where they can

C.4. Homework Questions

develop their own discussions without interference from the instructor. The free discussion is sometimes heated, and one can clearly see that they are using a different language than in the homework discussion.

- *Used technology to improve their writing and speaking.*

This class meets this criterion by focusing on the principal means of co-operation provided by modern Information Technology. For many years, email was the medium of choice for co-operation among scholars. In recent years, interactive web sites have started to provide an additional medium for co-operation at a distance. In recent Semesters, Hans has incorporated a plone-based interactive web site into the class, and this aspect of the class is under constant development.

In addition, this class will also teach you to

- detect classism, racism, or sexism in your own writing and that of others;
- overcome the subaltern mentality which the capitalist system inculcates into many of its citizens;
- make constructive and tactful critiques of the work of your peers;
- place your contributions in such a way that it furthers the general flow of the discussion.

You should therefore consider these homeworks as exercises in quality writing, collective learning, and good internet etiquette. A collection of web links about these issues is at <http://marx.econ.utah.edu/das-kapital/netiquette.html>. Your homeworks will not only be judged as individual pieces, but Hans will pay attention whether you are making efforts to enhance the overall quality of the discussion.

Content and Writing Style of your Answers

Since all answers are forwarded to everyone, you will get a lot of e-mail. When writing your answers, always keep in mind that many others will be reading them. Be brief and to the point. Good answers need not be long, but they must be well thought out and carefully formulated. Take the time to review your message and to edit it if necessary. **If your message is hastily written with ill-formed sentences and typos, this will affect your grade.**

Build on the Submissions of the Others You are expected to read what others have written, so that your own contribution does not duplicate their work. If others have tried to answer the same or a similar study question as your own, your contribution must refer to these answers: criticize them, build on them, or say why you want to answer it in a completely different way. This interaction between the participants is an important aspect of the course. Do not ignore the other class participants. If you do not read their contributions, you may get a much worse grade than you expect for your own, because you will not get credit for repeating things which were already said by others in their emailed contributions, or for answers which fall behind that what others said.

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Respond to what Others Write At least *three* of your homework submissions or other class contributions must contain *detailed* responses to something others in the class have written, either in the current semester, or you may also refer to the submissions in the archives. This response can either be given in your own regular homework submissions, or there are other ways to do it which will be described shortly. If your submission contains a number in square brackets, this will automatically be converted into a link to the submission with that message number. These links are listed in your grade summaries and Hans will assign feedback points according to the relevance of these links.

You can also give feedback by filling out the web forms in the archived submissions.

If you write a discussion piece about the submitted term papers, this gives you feedback points plus a risk-less grade which will only be applied if it improves your GPA.

Marxian theory interprets capitalist society in a way which differs greatly from the views promoted in the newspapers or on TV. Due to these differences, Marx's intended meaning is easily misunderstood. If you catch and politely correct an error in someone else's homework submission, this will be rewarded in your grade. You should refer to the work of the others by their *message number* (not question number) and put this message number into square brackets. For instance, you may write: "Groucho's assertion in [175] that value depends on consumer tastes ignores the fact that you can always produce more of something if it is in high demand." You can even refer to submissions from earlier years; for this you should write "Unzufrieden's assertion in [2000fa:27] ..." etc. If you write this as text, the pdf and html versions of the archives will show it as a link (as demonstrated here). Your intervention also benefits the person to whom you respond: if you write in such a way that others are moved to respond, this may make a difference for your grade in borderline situations.

Use the Archives The archives of the class discussions in prior years are included in the big zip file which every participant has to download from the www. Many of the questions discussed in the prior years are the same as this year. Reading these archives may help you to write a more intelligent answer.

Citations If you quote books or other published sources in your answers, you are expected to give a citation; the same is valid if you quote answers from previous classes which are published on the web.

Format of the Homeworks

All answers to the assigned Study Questions, exam resubmissions, term papers, etc., must be sent to

das-kapital@marx.econ.utah.edu

and *not* to any of Hans's personal email addresses. Class submissions sent or cc'd to Hans personally will be ignored. The submissions must not be sent by attachment, but as "flat" email messages.

Furthermore, the number of the Question which you are answering must be identified by the following "pseudo header" line at the beginning of your message before there is any other text:

::Q: (question number)

C.4. Homework Questions

If your message does not start with this pseudoheader, or if you submit an answer to a question that is not presently assigned, or if you send it from an email address which is not registered for the class, an automated reply will be e-mailed to you, usually within minutes, with an explanation of your error. Then you must correct your error and re-submit the message. If you get an error message again, try again. Only if your message is forwarded to everyone in class, i.e., if you get it back in the form shown in Table C.3 below, will you get credit for it. It does not matter whose fault it is that the message did not make it: if it is not propagated to the class in the time period assigned for this Question, then you cannot get credit for it. **There will be absolutely no exceptions from this rule.** Unfortunately, this no-fault approach is the only practical way to conduct an email class. It is not as bad as it sounds. You always have several days to mail in your submission, the assignments are flexible enough that you can usually make up for a missed submission without a grade penalty, and even if you don't get a grade for it, you probably still have benefited from doing the assignment.

Do not copy the text of the Question into your submission; the computer inserts it automatically before forwarding it to everybody. An example submission is shown in Table C.2. Table C.3 shows what this submission looks like when it is sent to everyone in class.

```
To: das-kapital@marx.econ.utah.edu
Subject: Abstract Drudgery
----- Message Text -----
::Q: 139
Despite big differences between the labor of a carpenter, for
```

Table C.2.: Answer to Question 139; see also Table C.3

```
From: Groucho <das-kapital@marx.econ.utah.edu>
To: das-kapital@marx.econ.utah.edu
Subject: [208] Abstract Drudgery
```

```
::Q: 139
```

139> What is abstract labor?

Despite big differences between the labor of a carpenter, for

Table C.3.: Message from Table C.2 Forwarded to Class

A few hours or days after your homework has been submitted Hans will send you an email with the grade of your question. In some cases you may get a grade with a weight below 100%. This does not lower the grade; it simply means that you must submit additional answers to meet your minimum requirement. If the form of your submission is insufficient (grammar, typos, writing style), your grade may be penalized a certain percentage. This is, indeed, a lowering of your grade. A summary of all your grades will be available at the interactive web site.

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Ungraded Study Questions

If you want to send a remark about a Study Question to the list for which you do *not* wish to receive a grade, include the two letters “ug” (as in “ungraded”) in your ::Q: pseudoheader, for instance

::Q: 159 ug

Answers to Questions which are labelled *Exam Question* in the Study Guide will also be counted as ungraded, because they are too easy.

Subject Field

You should always carefully select an informative Subject: field in the header of your message. Many mail programs allow the user to access the messages by their subject fields, therefore this field is important to keep things organized. Anybody who does not supply a relevant header for his submission will get a 5% grade penalty.

C.5. Feedback to Peer Submissions

Every class participant is required to give specific feedback to the homework submissions or term papers of his or her peers at least three times in the Semester. Giving detailed feedback is different than building on the other person’s submission. You are always required to build on previous submissions in the same Semester. But if reading your comment would have enabled the author of the earlier submission to make his own submission better, or would have helped the reader to understand the earlier submission better. then you will get credit for peer feedback. More about this feedback requirement in my comments to [\[2008SP:533\]](#). There are several options how you can give this feedback:

- You can give this feedback in one of your regular homework submissions—this way the submission counts as homework and at the same time meets the feedback requirement.
- You can also give this feedback as a free discussion contribution under question number 888. Feedback to someone else’s free discussion does not count, however; it must be feedback to a regular homework answer or a term paper. But if you want to give this feedback after the assignment window for this homework or term paper discussion has closed, you can always submit it under question number 888. Besides giving you feedback credit this will also count as one of your free discussion contributions.
- You can give this feedback as a term paper discussion, see below in section C.8.
- Last but not least, you can give this feedback by filling in the feedback forms in the www archives. This is appropriate for shorter notes which will be attached to the original message in small print, rather than for a self-contained essay. Such web submissions will not get grades, but they count towards the requirement of three peer responses. They also allow the participant to talk back to Hans’s grading comments, or to continue a discussion after the time interval in which this question was assigned. Such web submissions allow you to give feedback to contributions in past classes too while earning credit towards your requirement of three feedback contributions.

C.6. Interactive Web Site

Besides mailing lists, another modern tool for co-operation on the web are interactive Web Sites. Every class participant will have an account at <http://marx.econ.utah.edu:5080/Plone>. This not only allows you to create free-form content, send emails to other class participants based on their pseudonyms, and work together with others on your term papers, but this web site also displays your grades to you. Your login id will be identical to your pseudonym in das-kapital, with the same capitalization, with the number 8 appended. For instance, Hans's login id is Hans8.

Hans is still experimenting how to make the interactive web site a good platform for class participants to communicate with each other, without violating their privacy.

C.7. In-Class Exams

There will be two in-class exams, each 50 minutes long. The first exam can be taken either in the evening class on Tuesday, Sep 28, 6 pm, or in the day class on Friday, Oct 1, 10:45 am, and the second either on Friday, Nov 19, 10:45 am or Tuesday, Nov 23, 6 pm. You can choose between these alternate dates, but you are not allowed to take both exams on the later scheduled date. In other words, if you take the first exam in the day class on Friday, Oct 1 and the second exam in the evening class on Tuesday, Nov 23, Hans's computer will subtract a 10% penalty from your second exam grade. Every other combination is ok.

If you live so far away from the University of Utah main campus that you are unable to take your exams at the University of Utah, please email Hans at ehrbar@lists.econ.utah.edu. Hans will work with you to make it possible for you to attend this class also from a distance.

These exams are closed book and closed notes. You must show that you understand Marx's basic arguments and that you have followed the e-mail discussion. For these exams you should prepare the questions discussed by email, and the questions labeled *Exam Question* in the Annotations. A printed collection of all e-mailed questions and answers is made available before each exam.

There is a difference between exam answers and homework answers. In the homework answers you are encouraged to do your own thinking in relation to the reading assignments, and creativity will be rewarded. In the exam you must show that you understand how a Marxist would answer the question, and that you know how to benefit from the e-mail discussion. Many of the answers received on e-mail do not conform with Marx's theory, and often the collection of questions and answers will not contain one right answer, but several arguments and counterarguments. You are expected to work through these debates and make sense of them. If the collection of questions and answers contains materials which are relevant to your exam answer but which you ignore, this will count against you.

Each exam is 50 minutes long. Two of the questions you must answer are equal or similar to those in the Collection of questions and answers, and you should give a comprehensive answer which reflects all the discussion.

Two of the questions will be identical to the questions labeled *Exam Question* in the Annotations. They usually have one short answer that is right, everything else is wrong, and you should know which answers count as right.

Finally there will also be a few multiple-choice questions. They can be pretty difficult. Come on time and bring your student ID card. A black ballpoint pen is recommended,

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since your exams either will be xeroxed, or you will get a carbon copies or a pair of “NCR” papers to make a copy as you are writing your exam. Blue books are not necessary.

Exam Resubmissions

After the exam you must re-submit two of your answers by e-mail. In those resubmissions you may elaborate and develop your answer, and if you find errors in your original answer it will be to your advantage, grade-wise, if you point them out clearly instead of glossing over them. For all this you may use any help you consider necessary. You may revise and improve the answer you gave in class, if you want to—but be careful; it is also possible to make it worse! Hans will grade both the text you wrote in class and your resubmission, with weights 60% for the in-class answer and 40% for the resubmission. If your resubmission has the proper format, Hans’s computer automatically sends you a confirmation message, but your answer will be propagated to the class only after the deadline for submissions has passed. Late resubmissions are accepted within limits, but there will be a grade penalty.

The exam resubmissions must have exactly the same form as the answers to the ordinary Study questions. You must use the question number given on the pre-printed form with the exam question. It is important that you use *a different email message for every exam question*. A resubmission which does not have the proper format will trigger an error email message and is equivalent, grade-wise, to no resubmission at all.

C.8. Group Term Papers

Every participant must write an essay, together with a few others in class, explaining and discussing various aspects of one of the chapters in *Capital I* which are not otherwise covered in class. Just like the regular homeworks, these essays must be submitted by email. Each essay can only be submitted at specific dates, which depend on the chapter covered. All submitted term papers will become visible in the archives at the end of the submission window. Full details are in the class schedule. Your term paper may be a concise “executive summary” of the chapter, or a more detailed paragraph-by-paragraph abstract of a part of the chapter, or perhaps a report about your personal reaction to the text, or you may address just one aspect of the content of the chapter.

If you submit your essay before the assigned submission window, but not earlier than 1 week prior to the final due date (which is the end of the term paper submission window), Hans will give you feedback and a preliminary grade. You have then a chance to resubmit it prior to the final due date, in which case the preliminary grade does not count—but Hans will watch for it how you have responded to the comments for your early submission.

In preparation of these term papers, you are required to find your term paper partners and to register your term paper group with Hans no later than the date of the first exam for the day class on Friday, **Oct 1** (which is three days after the first exam for the **evening** class). In order to register your term paper group you have to decide on a name for your term paper group which has the same restrictions as the pseudonyms, i.e., it starts with a capital letter, consists of one word only, only letters, no numbers or special characters, and is at least two letters long. Then everybody in your term paper group must submit a message with question number : :Q: 995 which has this term paper group name in the *subject* line. Otherwise the message should be empty. Those who send such a message before the deadline will get one participation point.

C.9. WWW-Support

After the term papers are registered, you will be able to send emails to everyone in your term paper group as follows: go to the interactive web site <http://marx.econ.utah.edu:5080/Plone>, then click on the link “Send this page to specific users” and then click on the name of the term paper group (which will have a 8 appended just like the other pseudonyms.)

All authors of a given essay receive the same grade for the essay. Essays written alone, or essays written by a group that has not been registered, will not be accepted.

The term paper submissions look exactly like the submissions of answers to the homework questions, but they must carry the question numbers reserved for term papers as specified in the Schedule. Furthermore, this submission should have at the beginning the pseudonyms of those class participants who participated in writing this term paper. Normally, this is the entire term paper group, but sometimes some group members cannot be contacted; in this case, they will not get credit for this term paper.

Late term papers will not be accepted. If there are special circumstances that make it impossible or very inconvenient for you to work with others in a group, discuss this with Hans *before* submitting your term paper; perhaps he will allow you to write your term paper alone.

Discussions of the Term Papers

Term papers can be submitted during one designated homework period, but they won’t be forwarded to the class, and they won’t be visible in the archives until after this submission window has closed. After the term papers are visible in the archives, others in class are invited to discuss these term papers. These term paper discussions are *not* group pieces but must be written individually. This is an opportunity for you to fulfill the requirement of three detailed interactions with somebody else’s work. These term paper discussions will be graded, but these grades will only be counted as homework grades if they improve your overall grade. Each participant enrolled in Econ 6080 is required to submit at least one termpaper discussion essay, for those in Econ 5080 it is optional.

The question number for the term paper discussion is the same as that of the term paper itself. A term paper discussion might draw attention to some aspects of Marx’s text which were neglected in the term paper itself, or clarify things said in the term paper, or perhaps correct misunderstandings of Marx’s text if there are any in the term paper. I.e., for the term paper discussion you should read not only the term paper itself but also Marx’s text about which the term paper reported. The purpose of the term paper was to inform you about what Marx said in the assigned chapter, and the term paper discussions should check whether this purpose was met and add things that were missing or correct things that were wrong. Write something which is useful for the writer of the term paper as well as for the other readers.

C.9. WWW-Support

The home page for the class on the web is http://marx.econ.utah.edu/das-kapital_index.html. The Class edition of the Annotations, together with Annotations of other works by Marx and Engels, and with transcripts of all previous class discussions since Winter 1995, is available as one big zip archive of interlinked pdf files <http://marx.econ.utah.edu/das-kapital/pdf/halfpage/ec5080.zip>. You should download this archive once at the beginning of the Semester and extract the contents of this archive to get a number of pdf files all in the same directory. The pdf version of the class materials is the file [akmk.pdf](#).

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It has the advantage over the printed version that all links are live. If you open the file [overview.pdf](#) with the Acrobat Reader, you will see descriptions of all the other files in the archive with links to them. (After extracting, you can of course delete [ec5080.zip](#) again.)

All homework submissions are emailed to you, and they are also instantly available at the archive of the class mailing list <http://marx.econ.utah.edu/pipermail/das-kapital/>. In addition, a much better structured web archive is available with a brief delay at <http://marx.econ.utah.edu/das-kapital/2010fa/message.html>. If you consider writing a submission you should definitely consult this archive so that you can see what others have already written.

In addition, it is strongly recommended that during the semester, you should periodically download <http://www.marx.econ.utah.edu/das-kapital/pdf/halffpage/2010fa.pdf> into the same directory which has all the other pdf files from the zip archive. In this way you can take advantage of the cross links between all pdf files. If you click on the message numbers, you will be transported to the html archive.

C.10. Grading

Since all your work will be on file, Hans will get to know you quite well, resulting in, it is hoped, helpful feedback and a fair grade. The grade will not be a gift; the class average will be comparable with other 5000 level Economics courses.

Grades for Homeworks, Exams, and Term Papers

Hans grades content and form separately. The content of your homework, exam, or term paper will get a letter grade, and the form will be a percentage to be applied to your numerical grade. For instance, if your letter grade is a *B+*, but the form percentage is 90%, then the numerical grade for this submission is not 3.3 but 90% of 3.3, which is 2.97.

The form involves spelling, grammar, general presentation, internet etiquette, sensitivity to group issues, etc. Furthermore, answers that are too short count as only half a homework submission or otherwise receive a weight less than 100%. This is more favorable for you than having the grade itself be reduced.

For instance, [\[2005fa:146\]](#) has the string (graded *B+*). The parentheses mean that it was really an ungraded question, i.e., it did not count towards the final grade, therefore the *B+* was only given for informational purposes. [\[2005fa:56\]](#) has the string (content *A-* form 90%). Again, the message was ungraded; had it been graded, its grade point would have been 3.6 instead of 4.0. [\[2005fa:59\]](#) has the string graded *B* weight 50%. No parentheses, i.e., this grade actually counted. But the answer was so short that it only counted as half a homework submission.

Your answers to the assigned Study Questions determine 50% of your final grade point average in the following way: If you submit answers to 5 of the 23 assignments, then Hans will use the average grade of these assignments. If you submit answers to more than 5 assignments, then Hans will drop the lowest grade and take the average of the others. If you participated in the extra-credit promotion in the preparation of the exams, the grade average for the extra credit answers will be combined with the homework grades if this improves your grade, and if you also submitted termpaper discussions, this will also be combined with your homework grades if it improves your grade.

Each exam counts for 20%, and the group term paper for 10% of this final grade point average.

Participation Points

There are numerous deadlines etc. which try to measure your participation level and are designed to foster a smooth discussion. Your compliance with these requirements affects your grade. According to the principle of a million little nudges Hans has introduced 33 possible “participation points” or, in short, “ppoints:”

- If you make two or more regular homeworks before the first midterm you earn 2 ppoints.
- If you make two or more regular homeworks between the first and second midterm you earn 2 ppoints.
- If you have made four or more regular homeworks between the beginning of classes and the second midterm you get a bonus of 4 additional ppoints.
- If you make one or more free discussion contribution in one of the three-week deadline periods you earn 2 ppoints, to a maximum of 8, i.e., the makeup period won’t give you extra points if you have submissions in all the others.
- If you send in your 998 or 999 message in the first two weeks of classes you earn 1 ppoint.
- If you send in your 995 message registering your term paper group no later than the day of the first exam you earn 1 ppoint.
- For each specific reference to the work of others you can earn up to 1 ppoint (and if your feedback is exceptionally detailed and helpful it may even be 2 ppoints), to a maximum of 6.
- If your homeworks are on average one day or more before the deadline, you earn 5 ppoints, and proportionally less if your average is lower.
- If you attend classes on the mandatory class day you earn 3 ppoints.

This gives 32 possible ppoints total. If you miss some of those, you can make up for them by attending class. For each class attendance on one of the voluntary class days you earn 1 additional ppoint. Furthermore, up to 8 ppoints are automatically forgiven. Hans hopes this gives enough room for human error so that you don’t have to lose sleep over specific deadlines, and gives you choice where you want to focus your participation in class. But if you end up with fewer than 25 ppoints, then your final grade GPA will be reduced by one percent for each ppoint you are below 25. Hans will report your total number of ppoints along with your grades.

At the end of the Semester, Hans will review all your submissions. He may adjust the grade given from the above mathematical formulas according to the general quality of your submissions and of your participation in class and your contribution to the experience of others in the class.

Hans will not grade the contents of your free discussion contributions, because the discussion will be more interesting if you discuss the issues as *you* see them, without having

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to please the instructor. Hans will take attendance records so that you can get participation points for attendance.

C.11. Teaching Philosophy for Econ 5080

Marx's Method

Econ 5080 is a close reading of Marx's *Das Capital*. This is a book with the subtitle *A Critique of Political Economy*. Marx does not only criticize economics, but also the economy itself. He tries to show that capitalism, an ensemble of social relations organizing the production and distribution of goods and services, does not permit full human flourishing and emancipation. His main line of critique is not unequal income distribution or child labor, although he brings shocking examples of both, but capitalism is an obstacle to human emancipation because capitalist social relations project to the members of society a misleading image of their own social relations. As a consequence, humans are the masters of nature but not of their own social relations.

In Marx's critique, facts and values are not kept separate. For Marx, to understand capitalism means to know both its historical contribution towards the development of labor productivity, and its inherent inability to allow full human emancipation—and it does not depend on the point of view of the observer that this is a bad thing. This direct tie between facts and values also gives a much stronger connection between theory and practice than can be found in modern science. Marx does not stop at interpreting the world but the same science which interprets the world also tells him that the world must be changed.

Teaching Marx

When I teach such a practically engaged theory, it would be incongruous if I were to distance myself and just describe it to the students in a value-free manner, asking the students themselves to decide about the merits of the argument, without being influenced by the professor's personal preferences. Rather I engage the class participants in a debate. I tell them that they will hear Marxism from the horse's mouth because I am a Marxist. Although I will try to argue from a Marxist point of view, I do not expect them to suddenly become Marxists. Instead, I expect them to make their best argument about the issues Marx is talking about. And even if they do not adopt Marx's explanations, I promise them that acquaintance with Marx's arguments will broaden their horizons and benefit their own thinking and theory building.

This debate-style of teaching fits together well with Marx's critique, in *Capital*, of the false and misleading surface appearances of the capitalist social relations. For instance, the sale of labor, which seems an equitable and voluntary transaction, is according to Marx's theory the misleading surface appearance of a one-sided exploitative relationship. By asking whether this explanation makes sense for their own situation, class participants can try out whether Marx's theory fits together with their own practical experience.

The main interaction in the course is written (email), because the criticisms just described can be worked out better in written rather than spoken communication, giving people time to reflect on what they are writing. It is a collective learning process; participants learn from each others' mistakes because everybody is conditioned to make the same mistakes. I am spending a lot of time on my responses to the students individually, but I can justify this

because everybody learns from my feedback: Everyone's original contributions and my responses are available to everyone—with the participant's privacy protected by a pseudonym. These interchanges remain accessible also in future Semesters; students can browse the class discussions back to 1995, and they do take advantage of this.

Class participants are also encouraged to respond to each other. Those who do not do their readings become the unwitting study material for those who do, because they demonstrate the difference between a naïve understanding of capitalist society, guided by the misleading surface appearances which Marx extensively discusses in *Capital*, and Marx's alternative, depth-realist interpretation. Therefore some of my responses are sophisticated interpretations of Marx's text, while others are simple examples how a Marxist would explain to a novice why an economy based on voluntary market transactions can still be exploitative, etc. Participants from very different backgrounds and levels of preparation can enter a discussion that is fruitful to all. This is a democratic learning process which allows everyone to make a contribution. I have had Masters and Ph D students from Political Sciences and Communications in my class who told me afterwards they were surprised how much they learned.

Teaching Experiences

Sometimes I see evidence that students, who know my own preferences, write what I want to hear in order to get a good grade. If I have this impression I try to challenge it or discourage it. But it does not seem a particularly big problem in this class. I try to grade by the overall quality of the argument given, not according to whether the student comes to the same conclusions as Marx. Students are encouraged to argue against Marx and give alternative explanations, as long as they show that they have understood what they are arguing against. This type of debate encourages students to formulate their common-sense explanations about where profits come from etc., and I think many are learning that there is a big difference between such spontaneous ad-hoc explanations and a consistent theory.

Although Marx's theory is very different from the mainstream neoclassical theory, many students initially do not realize how big this difference is. I imagine they find the arguments in my class convincing, but they also found the arguments in their microeconomy class convincing, therefore they assume the two fit together. Or they may not realize the full implications of the theory they are just beginning to learn. By being exposed to two contrasting frameworks, they learn to appreciate the importance of the framework itself. I hope this increased sophistication also helps them to better integrate scientific thinking generally into their day-to-day decision-making.

Students like to learn from each other. If someone starts the answer to a study question on the wrong foot, others tend to follow in the same wrong direction, elaborating and developing the first answer. It is the exception that someone says: "we have to turn around and go in a different direction," even if the present discussion thread is clearly at odds with certain principles of the theory discussed in different threads. Even if I enter the thread and try to re-explain and gently criticize, it sometimes happens that the class still doesn't listen but continues on the path I just criticized. Initially this baffled me: I tell them which answer I want, and they still don't listen. Now I think that often this is a sign that they do not agree with my explanation. Therefore now I respond by trying to guess why I have not convinced them, and adding arguments addressing the suspected roadblocks. Of course, there may be other reasons; they may simply not have understood me, or my criticism was too polite and was not perceived as such. But the importance of what others say, and the importance of

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consensus which even overrides my authority as teacher and grader, seem to indicate that they perceive this class as a *conversation*, i.e., as a co-operative effort to get a grip on reality by finding resonance with each other. (I may not use the right terminology here; this is something I picked up from Bhaskar.)

Why Would a Marxist Want to Teach Marx?

Speaking as a Marxist, it is my view that the capitalist system indoctrinates its population and generates pro-capitalist biases by simply not teaching some of the cognitive tools necessary to properly understand society. Econ 5080 tries to be an antidote of this. It gives the opportunity to question some very basic assumptions which permeate modern social sciences: methodological individualism or other forms of reductionism, the fact-value dichotomy, flat empirical realism rather than depth realism, de-totalization, and the failure to recognize contradictions. Many of these issues are not immediately obvious but must be learned. For instance people are visible, social relations are not; therefore a naïve observer will gravitate towards methodological individualism. The idea that a social structure may not be derivable from individual motivations and endowments must be learned. Such things, also emergence and the pitfalls of reductionism (chemistry cannot explain why a dog barks), and a training in recognizing contradictions (there is a contradiction between getting a good grade and learning as much as possible) are issues that should be taught in High Schools. In Econ 5080, the student is confronted with these issues because Marx's text can only be understood if one is aware of these issues.

There are also some factual, not methodological, issues which I consider relevant for participants in Econ 5080. Marx argues that a seemingly equitable exchange transaction can amount to exploitation because of the uneven distribution of the means of production. I try to impress on the students that the lack of access to the means of production, which most in society experience, is not natural. Everyone as a human and as an inhabitant of this earth should have the right to use this earth to work for a satisfaction of their needs. This should not be conditioned on whether or not someone else makes profits off it. Not only are the vast majority of the population separated from the means of production, in addition they are not even aware that they are cut off. This awareness is one of the main things I want to teach them in class.

To sum it up, from my Marxist perspective, the close reading of Marx's argumentation in *Capital* at the same time allows the class participants to get a deeper understanding of the society they live in and the problems we face today.

Environmental Impact Statement

This reflection about the teaching philosophy is not complete without considering how the subject taught in Econ 5080 relates to the current climate emergency. People's lacking awareness about their separation from the means of production may help explain their quiescence regarding the destruction of the environment going on in front of their eyes. Since they do not see that they are cut off from the means of production, they also do not realize that they are the rightful owners of the natural world. If they were aware that the destruction of the environment is another stage in their own expropriation, perhaps they would protest more forcefully.

Another central issue is the fetish-like character of commodities. Marx was very critical of the fact that social relations take the form of quasi-natural properties of things (the price

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of a commodity seems almost as natural as the weight of the same commodity). Again, the modern debate about the environment makes the dangers of this reversal between social relations and their physical basis frighteningly clear: most people are more comfortable with the destruction of the environment to save the economy, than with an interference into the economy in order to save the planet.

The modern environmental dilemma is also proof that methodological individualism is wrong. There are certainly enough individuals who want to do something about the environment, but it is a nontrivial, maybe even unsurmountable, issue to change the entrenched course of society. This makes it clear that social relations follows their own dynamic and are not just the reflections of individual actions and preferences.

C.12. Technical Details

For the class mailing list and archives several programming tools are used, all open source and included in the Debian GNU/Linux distribution. Python does most of the work and also provides the glue between the different processes.

(1) The mailman mailing list server was patched and extended so that it would send anonymous messages with pseudonym, parse the question number and determine whether the question is assigned, insert the question text, and write out an xml version of each message to disk. This is done in python since mailman is written in python.

(2) Then I clean up, edit, and grade the xml messages using emacs, writing the grade directly into the message xmls. For the links it is necessary that each message must know which other message refers to it, who its neighbors are etc. This is done by spidering all messages using xslt (called up through the python-4suite modules) and writing the relevant info into a xml that can be read by python's xml.marshall module. Python processes the info and then writes it out in a format that can be parsed by emacs, and emacs edits all the xml files, so that each individual message xml has the information how this message relates to all the other messages.

(3) Then the messages are validated using relax-ng and transformed into LaTeX and html using xslt. The pdfs are done using pdflatex.

(4) For the grade calculations the grade info is extracted from the message xml files using xslt, imported into python using xml.marshall, then put into simple SQLite databases using SQLAlchemy.

(5) The integration with plone needs more python programming. On the plone site, students can get a comprehensive view of all their assignments and grades. Plone is written in python, and I wrote an extension module in python which accesses the database for the grades.

All this programming is a lot of work. But it allows me to experiment with the rules for the class and see what works and what doesn't work. It also allowed me to preserve my archives although the earlier classes used different technology. The basic information is in xml which validates against a simple Relax NG schema. This gives me a the flexibility to experiment with and expand the class format.

C.13. Observers

After Fall 2010, Hans hopes to teach this class again in the Fall Semester 2011. Anybody who was enrolled once is welcome to enroll in the class email list of future classes and participate to any degree they wish. Since Hans has your student id on file, there is no problem with your subscription, you don't have to ask permission or even notify Hans. Each class also has a few outside observers, who were never enrolled and don't take it for credit. Their contributions often broaden the discussion.

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